Ret. to J. Spears
Rm 5314

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON

March 24, 1939.

TO EMPLOYEES OF THE
DEPARTMENT OF AGRICULTURE:

The Department of Agriculture will soon begin, in a few representative cities, an experimental food-stamp plan for surplus farm commodity distribution through the normal channels of trade.

Because of the widespread interest in the plan, it is expected that a great many questions will be asked by farmers, business men, and individuals on relief rolls. So that employees of the Department may be accurately informed, I have asked that the attached brief statement be prepared by the Office of the Director of Marketing and Regulatory work explaining the plan to be administered by the Federal Surplus Commodities Corporation, and that copies of this statement and of the remarks on the reasons for trying out the plan be distributed by chiefs of bureaus to all employees.

H A Wallace

H. A. Wallace,
Secretary of Agriculture.

(Attachments)

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C.

FACTS ABOUT THE EXPERIMENTAL FOOD-STAMP PLAN FOR DISTRIBUTION OF SURPLUS FARM PRODUCTS

Plans for distribution of surplus farm products through normal trade channels on an experimental basis provide for issuance of food stamps to needy persons receiving or certified for public aid. The stamps would be redeemable by the Government and acceptable in regular retail food stores for designated surplus commodities. They would be used to provide low-income families with food purchasing power in addition to their usual food purchases.

Part of the funds already available to the Federal Surplus Commodities Corporation for surplus removal operations would be used to finance redemption of the surplus commodity stamps.

According to present plans, the experiment would be tried in a few representative cities of varying population, from 50,000 up, in widely separated areas. During the course of the experiment, the usual direct distribution by the FSCC through State relief agencies probably would be discontinued in the experimental cities. In the rest of the country, surplus purchases by the FSCC and distribution through State relief agencies will be continued.

The surplus food products distributed under the experimental plan would move from the producer to the consumer in the regular wholesale and retail trade channels.

There are three variations of the experimental plan, all of which are based on the same fundamental principles. Each is expected to be given a trial in one or more cities. The chief difference is in the method of getting the stamps into the hands of eligible families. According to present plans the stamps for purchasing surplus products would be blue.

One variation of the plan provides for issuing the blue stamps with orange stamps in the ratio of one blue stamp with two orange stamps. The orange stamps could be exchanged for any food, whether surplus or not. Eligible persons who made application would receive orange stamps, dollar-for-dollar, in lieu of a portion of their WPA wage or direct relief payment. They would be given the blue stamps.

The only purpose of issuing the orange stamps with the blue stamps would be to make sure that the blue stamps were not used to replace customary food purchases.

A second variation of the plan also provides for issuing orange stamps and blue stamps together. But, eligible persons would purchase the orange stamps for cash.

A third variation of the plan provides for issuing blue stamps only. The operation of this method would be studied to determine whether the use of orange stamps was necessary to prevent surplus purchases from replacing regular food purchases.

For the two variations of the plan providing for orange stamps, the stamps would be issued in books in values ranging from $4 to $15. The books would also contain half as many blue stamps as orange stamps. The value of each blue stamp and each orange stamp would be 25 cents.

In order to guard against reduction in present cash expenditures for food, heads of families who elect to purchase orange stamps will be required to purchase at least one dollar's worth of stamps per week per person in the family. They would be permitted to purchase up to a maximum of about 50 percent more in orange stamps if the need existed. Under this system, families receiving stamps would be spending at least $1 per person per week for food and, through use of the blue stamps distributed with the orange stamps, would be getting at least an additional 50 cents' worth of surplus commodities for each person.

Regulations governing the use of the stamps, tentatively agreed upon, are as follows:

> The orange stamps could be exchanged for any kind of food and for household necessities usually purchased in grocery stores, such as starch and soap, but could not be used to purchase beer, wine, liquor, or tobacco. The blue stamps would be good only for the purchase of commodities designated as surplus.
>
> No book of stamps could be sold or transferred by the holder.

To be accepted, the stamps would have to be detached from the book at the time the purchase was made.

In order to assure current use of the stamps purchased, applicants would be required to turn in an empty book for each new book purchased, with the exception that the book for the period immediately preceding need not be turned in at the time of purchase.

In cities where orange stamps are sold to certified eligibles for cash, they will be available at relief agency headquarters.

In experimental cities where no orange stamps are issued, blue stamps will be issued to eligible families who agree to use them to supplement usual purchases.

Studies to determine the effect on nutrition and the demand for surplus farm products will be conducted in all cities in which the experimental plan is tried. Plans for the extension of the experimental program to other areas will depend upon the results achieved in the test cities.

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

Remarks by Secretary Henry A. Wallace before a meeting of the Food and Grocery Conference Committee in Washington, D. C.

For nearly four years the Secretary of Agriculture has been authorized to use what is known as Section 32 money from the Customs receipts to bring about the purchase of surplus foods and their distribution to people on relief. During the past three and a half years about 3 billion pounds of food have been purchased and distributed through State relief agencies. In most cases, we have delayed purchasing these surplus foods from farmers until prices fell to 75 percent of parity and often we have delayed until the price fell to less than 60 percent of parity. Ordinarily we have shipped in car load lots to the states wanting the food.

As might be expected the efficiency of distribution by the state relief agencies has varied greatly. In some cases we have had complaints of waste because families suddenly received more food than could be kept without spoiling. In other cases there have been complaints that the people receiving food either sold it to neighbors or gave it to them and thus interfered with the regular flow of trade. There has also been the question as to whether the surplus food distributed did not replace in some measure the food already being purchased by the family.

On the whole, however, I have thought that the work of the FSCC has been very efficient and that these complaints were the exception rather than the rule. But it seemed to me that there was enough justification of some of these criticisms to warrant us in at least trying another approach as an experiment.

We propose therefore, under the authority already granted and with a part of the funds already available to conduct an experiment in cooperation with the food trades. Together, we would distribute the surpluses to the needy through the normal wholesale and retail food channels.

The conscience of the American people has long been shocked by the paradox of farmers impoverished by abundance while at the same time millions of consumers were hungry for food which was rotting because the price for it would not pay the cost of harvesting and transportation. During the past six months representatives of the food trades have concerned themselves more about solving this problem than ever before in history. They want to do something tangible to show their full hearted sympathy both for the farmer and the underprivileged consumer. Certain plans have been worked out as a result of conferences between representatives of business and government. At first we had little more to go on than the desire to accomplish something constructive. I remember well last December meeting with some of the members of the trade who are in this room. We reached the joint conclusion that it was certain a way could be found to use

the services of business in cooperation with government, farmers, and consumers to serve the general welfare more effectively. At that time we knew the nature of the problem but we had no very definite suggestions as to a solution. Today we are talking over one particular type of approach.

The proposed plans aim directly at increasing the domestic consumption of surplus food commodities. Issuance of the stamps will create purchasing power for commodities which are surplus now not because the need for them does not exist, but because the persons who need them most cannot buy them. Records of Public Health services and studies by the Bureau of Home Economics indicate widespread malnutrition and undernourishment, particularly on the part of children, in the homes of needy families in every state in the Union. Estimates have been made that many millions of people in the United States spend an average of $1.00 or less a week for food. Think of it; less than 15 cents a day per person for food! Such wholly inadequate expenditures mean price depressing surpluses for farmers and diets for low-income families that are less than the minimum necessary to maintain adequate standards of health. The proposed plan is designed to raise this average to $1.50 a week per person for those eligible to participate in the program. It is our sincere hope that this plan in operation will prove the most simple and practical method developed so far for getting an increased flow of surplus agricultural commodities into the hands of those who need them.

This is very definitely a cooperative program. For some months, in the Department of Agriculture, we have been considering ways of increasing the domestic consumption of surplus agricultural products. Your own Committee also has been giving serious thought to this same problem for some time. We appreciate the many practical and helpful suggestions which have been made by members of your group.

The Department of Agriculture has been given excellent cooperation by officials of the Department of Commerce, the Works Progress Administration, and the Public Health Service. Secretary Morgenthau has been deeply interested in this matter for a long time. During the past month he has taken an especially active personal part in helping us work out the details of this program as it was taking shape. Not only has he concerned himself with such mechanical matters as the printing and redemption of the stamps by the Treasury Department, but he has also pledged us the full support of the United States Public Health Service which is under his jurisdiction.

All of us in Government appreciate the way in which the members of the trade groups have worked with us on this important problem. We rely upon your cooperation, including increasingly effective methods of merchandizing, to make this plan successful. In turn you can rely upon the necessary cooperation of government agencies. It is only through united effort that we can find the way to plenty.

It should be understood that the plan here proposed will not take the place of the present FSCC methods of purchases and distribution, except in those cities where the stamps are used.

I have been continually delighted with the reports of the mutually fine attitude displayed by the representatives of the different groups. Having confidence in each other, they have got down to work on the mechanical details in a very effective way. The food trades, I am confident, are going to do their very best to do a real job of moving the surplus in the selected cities in such a manner as to demonstrate real efficiency to the public.

We all know that the greatest possibility of expanding consumption is with those people who are buying less than 15 cents worth of food per day per person. We hope these people will some day get jobs but until they do we have a job in public health which we cannot shirk, especially in view of the fact that the farmers have such great surpluses. And so we are proposing to make a joint frontal attack. If this plan is fully successful, it means that the day is not far distant when all of the people of the U. S. will be adequately nourished. Our goal might well be to use surplus foods to end vitamin deficiency in the United States. We have surplus butter with its abundance of Vitamins A and D, surplus eggs with their abundance of Vitamin B, and surplus citrus fruits which are such excellent sources of Vitamin C. Shortage of vitamin-rich food is in my opinion responsible for more sickness and lack of abounding, joyous energy in the United States than the various kinds of preventable diseases. Most people who eat right and behave themselves with ordinary common sense are going to be overflowing with abounding health. Gentlemen, it may well be that you are pioneers in one of the most significant public health movements of our time.

It seems to me that the members of this conference sense the fundamental significance to health of properly used surplus foods. Every groceryman can increase his public health service to undernourished consumers. Every groceryman can increase his economic service to the farmers.

You have before you a plan for consideration to be tried out in half a dozen cities. The proposal is the product of long hours of consultation. It embodies many helpful suggestions which have come from the trade groups.

Those representatives of the United States Department of Agriculture who have worked with the trade groups can remain here this afternoon if you wish to answer any questions which may occur to you.

After you have discussed the plan we should like to have the decision of the group as to whether it has enough merit to warrant going ahead with your cooperation.

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STAMPS

The appearance of the new stamps to be used in connection with the experimental surplus food distribution plan has aroused almost as much public interest as the plan itself.

A United Press news story speculated at length upon the identity of the goddess-like figure depicted on the left side of the stamp design. According to officials of the Bureau of Printing and Engraving, this picture is one which has been used previously.

The blue and orange stamps are identical except for color and the addition of the word "surplus" on the blue stamps. Both are 1-7/8" x 1-1/4". The 25-cent denomination will be the only one printed.

Below is an enlarged reproduction of the orange stamp. The stamps are bound in books containing from $2 to $10 worth of orange stamps and half as many blue stamps.

5-29-42
F. Mason
wgre

THE FOOD STAMP PLAN

What It Is

Purpose: The Food Stamp Plan is a means of attacking the two-fold problem of agricultural surpluses on the one hand and undernourished people on the other. It seeks to (1) increase farm income and (2) raise the dietary standards of the low-income consumers.

Administration: The Plan is administered by the Agricultural Marketing Administration of the Department of Agriculture through the Washington office and four regional offices located in San Francisco, Milwaukee, Philadelphia and Dallas. Under the decentralization system of operation, the program is actually carried out through State and local agencies.

Extent: The Food Stamp Plan was begun in Rochester, New York, on May 16, 1939, on an experimental basis. In June, 1941, it was in effect in 383 areas, 3.9 million persons were participating and the monthly expenditures reached nearly 10 million dollars. As the program has expanded, families in rural areas have been made eligible and "it is now estimated that over 30 percent of the population included in designated areas is rural."[1/] "The Food Stamp Program was in operation in 1,305 counties and 85 city areas in March 1942 including 81 counties opened during the month. 77 million persons, 59 percent of the total United States population, live in operating areas. Of 5,482,000 eligible persons 3,584,000 or 66 percent participated. Largest number of participants were in the Southern Region."[2/]

How It Works

Mechanics of the Program: The Program is carried out by means of a Federal subsidy paid to low-income consumers in the form of blue stamps. It has been

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Administration: The Plan is administered by the Agricultural Marketing Administration of the Department of Agriculture through the Commodity Office and local employment offices located in the Counties, Municipalities and Indian Tribes. Under the decentralization system of operation, the program is actually carried out through State and local agencies.

Issuance: The Food Stamp Plan was begun in Rochester, New York, on May 26, 1939, on an experimental basis. In June, 1941, it was in effect in 20 areas, 14 million persons were participating and the monthly expenditures reached nearly $2 million dollars. As the program has expanded, familiar in small areas has been made eligible and "it is now extended into over 50 percent of the population living in densely populated areas in rural." The Food Stamp Program was in operation in 1,300 counties on 60 city areas in June 1941 indicating it reached people during the month. 17 million persons, 40 percent of the total United States population, live in participating areas. Of 1,000,000 eligible persons 3,800,000 or 60 percent participated. Largest number of participants were in the Southern States.

How It Works

Purchasing of the Stamps: The program is carried out by means of a Stamp Plan which has no relation whatsoever to the price of farm products. In the Food

estimated that low-income consumers spend an average of $1 to $1.50 per capita per week for food. Usually they are required to buy orange-colored stamps with this money to receive free blue stamps valued at 50¢ to 75¢. This gives the low-income consumers additional food purchasing power with which to buy a larger portion of the total food supply. The orange stamps can be used to buy any food products for home consumption, but the purchases with blue stamps are limited to those commodities enumerated as surplus foods by the Secretary of Agriculture. This blue-stamp list is generally changed once a month to include those commodities for which the supply is relatively large, the price is relatively low and greater effectiveness can be achieved in improving diets. Either stamps are accepted in any retail food establishment located in the low-income districts. It is the intention that the blue stamps will represent a net addition to the food consumption and not a substitute for the purchases that have been made previously with out-of-pocket money.

Selection of Cities: "Cities are selected for the program on the basis of cooperation by welfare and other public officials, banks, and trade groups. To obtain the plan, the cities must maintain a revolving fund to reimburse the Government for its payments of orange stamps presented. The cities, in turn, are reimbursed from the proceeds of sales of orange stamps. The affected areas must provide facilities for certifying and issuing stamps to eligible persons who wish to participate. In addition, the designated area must sign a contract with the Surplus Marketing Administration (now the Agricultural Marketing Administration) by which the welfare officials agree not to reduce public-assistance grants because of the operation of the stamp plan. In this way, the Department of Agriculture seeks to be certain that the stamp plan will provide additional purchasing power and will not simply result in a substitution of stamp funds for the local public-assistance grants. The contract entered into also provides for the preparation of reports that may be requested for the city or county area. Welfare agencies certify the

estimated that low-income consumers spend an average of $1 to $1.50 per capita per week for food. Usually they are required to buy orange-colored stamps with this money to receive two blue stamps valued at 50¢ in FSC. This gives the low-income consumers additional food purchasing power with which to buy a larger portion of the total food supply. The stamps always can be used to buy any food products for home consumption, but the purchases with blue stamps are limited to those commodities enumerated as surplus items by the Secretary of Agriculture. This step-saver plan is generally charged more a month to include those commodities for which the supply is relatively large, the price is relatively low and greater effectiveness can be achieved in improving diets. Either stamps are accepted in any retail food establishment located in the low-income district. It is the intention that the blue stamps will represent a net addition to the food consumption and not a substitute for the purchases that have been made previously with out-of-pocket money.

Schedules of Cities: Cities are selected for participation on the basis of cooperation by welfare and other public officials, banks, and trade groups. To obtain the plan, the city-wide committee must submit a certificate that is satisfactory to the Secretary of Agriculture showing sufficient local interest in the program. The cities, in turn, are selected from the presents of banks of energy stamps. The attached areas must provide facilities for certifying and issuing stamps to eligible persons who wish to participate. In addition, the designated area must sign a contract with the Surplus Marketing Administration (now the Agricultural Marketing Administration) by which the welfare officials agree not to reduce public-assistance grants because of the operation of the stamp plan. In this way, the Department of Agriculture seeks to certain that the stamp plan will provide additional purchasing power and will not simply result in a substitution of stamp funds for the local public-assistance grants. The contract authorized this also provides for the preparation of reports that may be requested for the city or county area. Welfare agencies certify the

eligible persons, but each eligible person has to decide whether he is willing to participate."[3/]

Selection of Commodities: The selection of commodities to be included on the surplus list is really a matter of administrative discretion inasmuch as the basic authority is very broad and specifies only that the Secretary will find that the domestic consumption of the commodity will be increased by being on this list. To some degree this could apply to any commodity.

"In selecting commodities for this list, primary consideration should be given to commodities whose prices are most depressed, commodities for which the plan would be most effective in increasing consumption and improving the price situation, and commodities which offer the greatest improvement in the diets of low-income consumers, cost considered. Not enough is known about demand elasticities and consumption habits to predict accurately how the stamp plan will affect sales of individual commodities put on the surplus list. But it can probably be said with reasonable certainty that sales of commodities like fresh fruits, meats, and dairy and poultry products will be increased proportionately more than sales of commodities which low-income consumers are already buying in relatively large quantities."[3/]

The surplus list should be as flexible between the different regions as feasible to take care of local surpluses. At the same time certain staple products are included every month for all of the regions.

Effect on Farm Income

"The effect of the Food Stamp Plan on farm income will depend primarily on four things: (1) the amount of the blue-stamp subsidy; (2) the extent to which this subsidy represents a net addition to the preplan food expenditures of the participants; (3) the elasticity of the demand of medium- and high-income consumers who do not participate in the plan; and (4) changes in marketing charges."[3/]

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Fixed Supply: If the total supply of a specific commodity is fixed and would be marketed during the year through regular commercial channels without the Stamp Plan program, the immediate effect of increasing demand through the Stamp Plan would be to raise prices. Even though the subsidy is paid at the retail price level and some increase in marketing charges can be expected with increased prices, the percentage change in prices received by farmers is greater than the percentage change in prices paid by consumers. The effect of the Stamp Plan would be to increase farm income.

Increased Supply: If, as a result of increased demand, farmers market that part of their crops which would otherwise have been left unharvested, the immediate effect would be to increase the supply rather than to raise the price. In this case the farmer will receive his share of the consumer's dollar on the additional part of the supply marketed.

Long-run Effects on Production and Consumption: "If operated on a national scale and with substantial amounts of money appropriated for the blue-stamp subsidy, the plan should appreciably increase total consumer demand for food. If production is unregulated, it would be expected that the higher prices resulting from this increase in demand would call forth production increases. The long-run effect, therefore, would involve both higher prices to farmers and greater agricultural production than would otherwise have occurred...An extended and successful stamp plan would not only affect the total quantity of food produced but also be likely to bring about shifts in production as between different agricultural products."[3/]

Effect of the Plan on Retailers, Retail Margins and Employment

Most business involving the blue stamps is done by independent stores in the low-income districts. The latest available data[3/] show that 62.5 percent of the total blue stamps were redeemed by independent retailers who made 56.0 percent of the total food sales.

"The stamp plan does not seem to have led to any significant change in

Fixed Supply: If the total supply of a specific commodity is fixed and would be marketed during the year through regular commercial channels without the Stamp Tax program, the immediate effect of increasing demand through the stamp plan would be to raise prices. Even though the supply in part at the retail price level and some limited in marketing channels can be expected with increased prices, the inevitable change in prices received by farmers is greater than the percentage change in prices paid by consumers. The effect of the stamp plan would be to increase farm income.

Increased Supply: If, as a result of increased demand, farmers market that part of their crops which would otherwise have been left uninvested, the immediate effect would be to increase the supply rather than to raise the price. In this case the farmer will receive the benefit of the consumer's dollar on the additional part of the supply marketed.

Long-run Effects on Production and Consumption: If operated on a national scale and with reasonable amounts of money appropriated for the Blue-Stamp Subsidy, the plan should appreciably increase farm income, assuming the demand is inelastic. If operation is unregulated, it would be expected that the higher prices resulting from this increase in demand would not fall sufficiently to offset the increased supply. The long-run effect, therefore, would increase both higher prices to farmers and greater agricultural production than would otherwise have occurred...an extended and unmanaged stamp plan would not only affect the total quantity of food produced but also be likely to stimulate a shift within in production in between different agricultural products.[3]

Effect of the Plan on Retailer, Retail Margin and Employment

Most failures involving the Blue stamps is done by independent stores in the low-income districts. The latest available data[3] show that 66.6 percent of the total food stamps were redeemed by independent retailers who made 69.4 percent of the total food sales.

The stamp plan does not seem to have had to any significant change in

the margins charged for surplus commodities...On the basis of the experience thus far, it seems that the effect of the plan on margins has been negligible.

"No significant increase in the number of persons employed in the regular food channels appears to have accompanied the operation of the stamp plan. Most retail and wholesale firms have been able to handle increases in business as large as those usually occasioned by the plan without hiring additional labor or adding to their physical facilities."[3]

Effect on Dietary Standards of Low-Income Consumers

"Just how much the nutritive value of the customary diets of families on relief are improved by surplus food disposal programs depends on three things: (1) the usual food consumption of families before their participation in the program; (2) the variety and quantity of foods purchasable or distributed through the programs; and (3) the adjustments in usual diet patterns that families make because of the foods available under the program...

"The crucial question, so far as nutritional improvement goes, is the extent to which blue-stamp purchases and orange-stamp (or cash) purchases properly supplement each other. The problem facing the Food Stamp Program participant in the use of orange stamps or cash is not unlike that faced by farm families who must decide how to make their food purchases complement the foods furnished by the farm."[1]

A study conducted by the Bureau of Home Economics in August and September of 1939 compared the diets of Food Stamp participants with the diets of their low-income neighbors not in the program. The participants tended to consume more of every item on the surplus list but the significant difference was found in higher consumption of eggs, butter and fruit.

Pork has been on the surplus list at various times, but once it was removed from the list it never regained the high percentage of the expenditures

the surplus energy for surplus commodities. On the basis of the evidence that far, it seems that the effect of the plan on energy has been negligible.

"A significant increase in the number of persons employed in the regular food channels appears to have accompanied the operation of the stamp plan. Most retail and wholesale firms have been able to handle increases in business as large as those usually associated by the plan without hiring additional labor or adding to their physical facilities."[3]

Effect on Dietary Standards of Low-Income Households

"Just how much the nutritive value of the predominant diets of families on relief are improved by surplus food distribution depends on three things: (1) the usual food consumption of families before their participation in the program (2) the variety and quantity of foods purchasable at distributed coupons the program; and (3) the adjustments in usual diet patterns that families make because of the foods available under the program.

"The crucial question, so far as nutritional improvement goes, is the extent to which distributing programs and stamp-plans for case relief families supplement such diets. The problem facing the Food Stamp Program participant is the use of weekly savings or gain in net income that based by face families who must decide how to make their food purchases conform the foods furnished by the Farm."[1]

A study conducted by the Bureau of Home Economics in Detroit and Hamtramck of 1939 compared the diets of food Stamp participants with the diets of their low-income neighbors not in the program. The participants tended to consume more of every item on the surplus list but the significant difference was found in higher consumption of eggs, butter and fruit.

Part had been on the surplus list at various times, but more it was removed from the list in order regulated the high percentage of the commodities

it had at first. This is especially true of the Southern Region.[4/] Fresh vegetables and fruits accounted for most of the difference. The data given below show the pattern of purchases for February and March of 1942. Pork was included on the surplus list in February but was removed in March.

	Percentage of Expenditures February	March
Pork	23.2	—
Fruit	11.8	16.1
Butter	12.3	15.0
Eggs	13.9	17.7
Cereals	15.6	20.1
Vegetables, inc. potatoes	23.2	31.1

Effect on Non-participants

As demand has been increased, prices have risen. "It is estimated that an increase of 1 or 1 1/2 percent in the average retail price of food resulted from the operation of the Food Stamp Program in fiscal 1941."[1/] The quantities of food available to the non-participants are reduced unless production increases more than the additional purchasing power given to those who participate. Thus for the short-time period, non-participants are faced with increased prices and reduced supplies. "While the rise in total food supplies over recent years has been large enough to more than offset a reduction to non-participants resulting from the food programs, decreases in total supplies of particular foods may well have the effect of adding to, rather than offsetting, the adverse effect of the programs upon non-participants."[1/]

Public Reaction

"The Stamp Plan has had the fortunate experience of securing the enthusiastic cooperation of farmers, relief families, business and welfare groups, and the public generally. It has thus been possible to secure their guidance in making the numerous changes that experience has suggested."[5/]

it had at first. This is especially true of the canning industry. Fruit vegetables and jr-ibs accounted for most of the difference. The data also show the values of purchases for January and March of 1943. Meat was included in the surplus list in February but was removed in March.

	Percentage of Expenditures	
	January	March
Pork	28.2	--
Fruit	11.8	16.1
Butter	12.3	15.0
Eggs	13.9	17.7
Cereals	13.2	22.1
Vegetables, non-potatoes	23.2	11.1

Effect on Non-participants

As demand has been increased, prices have risen. It is estimated that an increase of 1 or 1 1/2 percent in the average retail price of food results from the operation of the Food Stamp Program in Floral Land. The quantities of food available to the non-participants are reduced hence production increases more than the additional purchasing power given to those non-participants. Thus for the short-run period, non-participants are faced with increased prices and reduced supplies. While the rise in total food supplies was recent, there has been large money in more than offers a reduction to non-participants resulting from the food program. Increases in total supplies of particular foods may well have the effect of adding to, rather than offsetting, the adverse effect of the program upon non-participants.

Public Question

The Stamp Plan has had the favorable experience of securing the enthusiastic cooperation of farmers, relief families, business and welfare groups, and the public generally. It has thus been possible to secure high prices in spite of the numerous changes that experience has suggested.

Suggestions for Improvements in the Food Stamp Program

The Interbureau Planning Committee on Distribution Programs has recommended that the Food Stamp Plan be expanded to a national program, flexible enough to meet changing needs. As employment has increased and relief rolls have declined, this would be an opportune time to expand the program with a minimum increase in funds.

There should be a broader basis of eligibility and participation in the Food Stamp Program. Relief standards vary widely between communities and regions and do not provide an equitable national measure of relative need. "Eligibility should therefore be based on income and size of family rather than on relief status merely. Such a change would increase especially the participation of low-income farm families."[1/]

Foods are usually selected for the blue-stamp list on the basis of improving farm income. The Committee recommended "in the current situation that additional emphasis be given to two other factors in designating foods: (1) relationship to production goals...and (2) nutritional desirability..."[1/]

1/ "Report of the Interbureau Planning Committee on Distribution Programs," U.S.D.A. December 19, 1941.

2/ Monthly report of the Distribution Branch of the Agricultural Marketing Administration (A.M.A.-D.D.P.-2) April 25, 1942.

3/ "Economic Analysis of the Food Stamp Plan," A report prepared by Norman L. Gold of the Surplus Marketing Administration, A. C. Hoffman of the Bureau of Agricultural Economics and Frederick V. Waugh of the Bureau of Agricultural Economics. 1940.

4/ Information from the Distribution Branch of the Agricultural Marketing Administration.

5/ "Expanding Domestic Consumption Through The Food Stamp Plan," Norman L. Gold. State Government. September 1940.

Suggestions for Improvements in the Food Stamp Program

The Administrative Committee on Distribution Programs has recommended that the Food Stamp Plan be expanded into additional counties. Finality should be given to such expansion. As mentioned by interested and critical, still have developed, this would be an opportune time to extend the program with a minimum increase in costs.

There should be a broader basis of eligibility and participation in the Food Stamp Program. Minimum standards may vary, however, but medical and relief are to not provide an adequate nutritional standard of living for families. Eligibility should therefore be based on income and size of family rather than on relief status. Such a change would increase materially the participation of low-income families.[1]

There are several reasons for the time-lag, but on the basis of improving food standards. The Department recommends "In the current discussion that additional emphasis be given to non-income factors in determining family: (1) availability of adequate facilities, and (2) nutritional requirements."[2]

1/ "Report of the Interdepartmental Committee Committee on Distribution Programs," U.S.D.A. - December 31, 1941.

2/ Monthly report of the Distribution Branch of the Agricultural Marketing Administration (A.M.A.-F.S.C.-6) April 28, 1942.

3/ "Economic Analysis of the Food Stamp Plan," a report prepared by Norman L. Cobb of the Farming Marketing Administration, in Bulletin of the Bureau of Agricultural Economics and Industrial 7, Bureau of the Bureau, of Agricultural Economics. 1940.

4/ Information from the Distribution Branch of the Agricultural Marketing Administration.

5/ "Improving Consumer Purchasing Through The Food Stamp Plan," Norman L. Cobb. State Government. September 1940.

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I. INTRODUCTION

In 1935, Congress amended the Agricultural Adjustment Act to enable the Government to deal directly with the pressing problem of farm surpluses. Through the medium of a private non-profit corporation, the Federal Surplus Commodities Corporation, the United States Department of Agriculture, used Government funds to remove surplus agricultural commodities from the market. Paradoxically, at the same time the farmer found himself burdened with an oversupply, many people in the cities could not get enough to eat. So, to achieve the greatest possible use of the acquired food products, the Department of Agriculture diverted its purchases to needy people who found themselves reduced to accepting public assistance

II. DIRECT DISTRIBUTION

III. FOOD STAMP PROGRAM

A. Introduction

While the system of direct purchase from farmers and distribution to needy persons was effective, the Department constantly sought other ways to meet the problem. As an alternative, on May 16, 1939, the Food Stamp Program began operations in Rochester, New York. This program was designed to increase the food purchasing power of public assistance families and to dispose of surpluses through normal channels of distribution.

Public assistance families, who are certified by welfare organizations as eligible to participate in the program, buy orange food order stamps to the amount of their normal food purchases. These orange stamps are used to purchase any food for human consumption in any participating retail food outlet. In addition to the orange stamps, the families receive free blue food order stamps usually amounting to half the value of the orange stamps purchased. The blue stamps are used to purchase any food on a list of commodities designated by the Secretary of Agriculture. This list includes nutritional foods, the prices of which are too low to give a fair return to grocers; it changes from time to time to include various seasonal items.

The advantages of this program over direct distribution of food are that the participants may buy their food wherever they please, whenever they wish, and in the quantities they desire, restricted only by the scope of the blue stamp list.

B. Early Organization

Six experimental cities were selected to test the feasibility of the Food Stamp Program and to learn of the problems it would involve. It was

I. Introduction

In 1929, Congress created the Agricultural Adjustment Act to assist the Government in dealing with the growing problem of farm surpluses. Through the agency of a private non-profit corporation, the Federal Surplus Commodities Corporation, the United States Department of Agriculture, sought Government funds to remove surplus agricultural commodities from the market. Unfortunately, at the same time the farmer found himself confronted with an overabundance, many people in the cities could not get enough to eat. So, in seeking the primary purpose of the surplus that particular, the Department of Agriculture directed its programs to assist people who found themselves unable to maintain adequate nutrition.

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A. Introduction

While the system of direct purchase from farmers and distribution to needy persons was effective, the Department nevertheless sought other ways to meet the problem. In an effort-saving, on May 16, 1939, the food stamp program began operations in Rochester, New York. This program was designed to increase the food purchasing power of public assistance families and to dispose of surpluses through normal channels of distribution.

Public assistance families, who are certified by welfare agencies as eligible to participate in the program, buy orange food coupons in the amount of their normal food purchases. These orange stamps are used to purchase any food for human consumption in any participating retail food outlet. In addition to the orange stamp, the families receive free blue food order stamps monthly according to their size of the orange stamps purchased. The blue stamps are used to purchase any food on a list of specialties designated by the Secretary of Agriculture. This list includes nonfattening foods, the prices of which are low in proportion to a fair return to producers. It changes from time to time to include various seasonal items.

The advantages of this program over direct distribution of food are that the participants may buy their food wherever they please, receiving the whole and in the quantities they desire, restricted only by the extent of the blue stamp allotment.

B. Early experiments

Six experimental cities were selected to test the feasibility of the food stamp program and to learn of the problems it would involve. It was

found that the program was so well accepted and its administration could be handled so satisfactorily that expansion of the program to other areas followed. The expansion, however, was very gradual at first because many new city and county areas presented new problems in organization.

In September, 1939, to meet the future problems of further expansion and to exercise closer administrative control of the program, operations were organized on a regional basis. The United States was divided into four separate areas each having a regional office directly responsible to the Washington office.

C. Expansion in Region II

Region II, the Midwest Region, consists of the following States: Kansas, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Ohio and Wisconsin.

The following table gives a clear picture of expansion of the program in Region II since it was inaugurated in 1939:

GROWTH OF FOOD STAMP PROGRAM IN REGION II.

June 1939 - June 1941.

	Date	City & County Areas in Operation /1	Eligible Persons /2	Persons Participating /2	Percent of Participation	Blue Stamps Issued During Month	Cumulative Value of Blue Stamps	Average $ Issuance Per Person	Cumulative Value of Blue Stamps July 1, 1940-June 30, 1941
1939	June	1	31,705	20,640	65.1	$ 33,873	$ 33,873	$ 1.64	
	July	1	33,952	21,219	62.5	40,197	74,070	1.89	
	August	2	43,161	26,917	62.4	46,328	120,398	1.72	
	September	2	51,828	43,775	84.5	87,559	207,957	2.00	
	October	3	62,581	47,838	76.4	94,944	302,901	1.98	
	November	6	113,974	64,458	56.6	131,622	434,523	2.04	
	December	6	196,627	132,330	67.3	269,745	704,268	2.04	
1940	January	11	238,354	159,340	66.8	330,840	1,035,108	2.08	
	February	14	292,300	190,311	65.1	389,770	1,424,878	2.05	
	March	20	447,412	261,896	58.5	524,015	1,948,893	2.00	
	April	20	490,040	336,682	68.7	708,413	2,657,306	2.10	
	May	20	485,888	333,656	68.7	713,583	3,370,889	2.14	
	June	29	515,416	343,873	66.7	732,785	4,103,674	2.13	
	July	34	558,443	390,293	69.9	881,131.50	4,984,805.50	2.26	881,131.50
	August	45	770,541	581,047	75.4	1,482,478	6,467,283.50	2.55	2,363,609.50
	September	45	785,695	582,763	74.2	1,394,996.50	7,862,282	2.39	3,758,608
	October	86	881,208	632,883	71.8	1,601,414	9,463,696	2.53	5,360,022
	November	129	1,093,740	787,313	72.0	1,900,388.50	11,364,084.50	2.41	7,260,410.50
	December	136	1,319,963	885,024	67.0	2,264,135	13,628,219.50	2.56	9,524,545.50
1941	January	149	1,391,834	965,533	69.4	2,438,572.50	16,066,792	2.53	11,963,118
	February	160	1,457,106	992,247	68.1	2,440,470.50	18,507,262.50	2.46	14,403,588.50
	March	162	1,490,457	1,023,710	69.0	2,609,339.50	21,116,602	2.55	17,012,928
	April	168	1,478,891	1,007,992	68.0	2,581,965.50	23,698,567.50	2.56	19,594,893.50
	May	271	1,585,170	1,018,474	64.2	2,593,628.50	26,292,196.	2.55	22,188,522.
	June	371	1,605,166	1,027,260	64.0	2,609,721.	28,901,917.	2.54	24,798,243.

/1 Counties in which Chicago, Madison, Dayton, Peoria and Springfield, Ill; Toledo and Fort Wayne are situated do not have the Stamp Program, but the cities themselves are included in the number of areas in operation.

/2 Persons eligible and participating during 1939 and April, May, June 1940 are estimated because participation reports for those periods did not show number of persons. Estimates based on 2.87 persons per case.

As shown in the table, in the first month of operations approximately 21,000 persons participated in the Stamp Plan in Dayton, Ohio, the first Stamp Plan city in Region II. They represented about 65% of all persons eligible to receive food stamps at that time. Des Moines, Iowa, was designated as the second experimental city in Region II on August 23, 1939.

Expansion beyond the experimental stage was begun in October, when Springfield, Illinois, was added to the list of Stamp Plan cities in this Region. In November, Madison, Wisconsin, Minneapolis and St. Paul, Minnesota, were included, so that by the end of December, 1939, there were six areas in operation with 132,000 participants or 67.3% of the total number of those persons eligible to participate. A cumulative total of a little over $700,000 in blue stamps had been issued since the beginning of the program.

In March, 1940, there was a sharp increase in the number of eligible participants and the issuance of blue stamps over the preceeding month, due to the extension of the program to six new areas. These new areas included the cities of Akron and Cincinnati, Ohio; Fort Wayne, Indiana; Lansing, Michigan; Topeka, Kansas; and Peoria, Illinois. The public assistance rolls of these cities and their respective counties increased the number of eligible persons by about 155,000.

At the end of the fiscal year, June 30, 1940, the Stamp Program was operating in 29 city and county areas in this Region, with 344,000 persons participating. The percentage of participation was 66.7, with a cumulative total of $4.1 million issued in blue stamps.

On August 1, 1940, the Stamp Program was inaugurated in the City of Chicago, Illinois. At that time, Chicago was the largest city in the country in which the program was in operation and remained so until the program was extended to include New York City in the spring of 1941.

In September, 1940, the drop in blue stamp issuance may be attributable to three WPA pay-dates during the month of August in a number of the operating areas. Since September 2 was Labor Day, the WPA advanced some of its pay dates that would otherwise have fallen on the holiday weekend.

By the fall of 1940, gradual expansion had given way to designation of new areas in rapid succession. In October 41 new city and county areas were opened, to make a cumulative total of 86. In November, 46 more areas were opened, and at the end of December, 1940, there were 136 city and county areas in operation, with 885,000 participants. The increase in the number of persons eligible to participate in the program was less proportionately than the increase in the number of areas because these new areas were less densely populated. The inclusion of the many new areas increased the cumulative value of blue stamps to about fourteen million dollars at the end of December. At this time, blue stamps were being issued at the rate of well

Up closer in the basin, in the first month of operations approximately 21,000 persons participated in the Sheep Plan in Dayton. Below the dam they then city to begin it. They experimented with all of all persons activities in creating food storage in that time. For Dayton, then, was designed as the second experimental city to begin it on August 20, 1934.

Preparatory to beginning the experimental stage was begun in October, when Arthur Ch. Fitzhugh, was added to the list of Sheep Plan, action in this begins. In December, Chairman, Chamberlain and Co. Ford, Sheep-Plan, were included, so that by the end of December, 1934, there were six areas in operation with 10,000 participants or 10% of the total number of those previous eligible to participate. A monetary total of a little over $100,000 in 10 months had been issued since the beginning of the program.

By March, 1935, there was a steady increase in the number of activity people and the financing of food storage over the preceding month due to the presence of the program in six new areas. These were Lewis Centers the cities of Akron and Fremont, Ohio; Cass County, Indiana, Kalamazoo County, Indiana and Peoria, Illinois. The public assistance rolls of these cities and their respective counties increased the number of eligible persons by about 125,000.

By the end of the fiscal year, June 30, 1935, the Sheep Program was operating in 89 city and county areas in this region, with 500,000 persons participating. The percentage of participation was 10%, or a reduction under of 5% of the original issued in the program.

By August 1, 1935, the Sheep Program was inaugurated in the City of Chicago, Illinois. At such time, Chicago was the largest city in the country in which the program was in operation and remained so until the program was suspended in Chicago for lack of the survey of 1935.

By September, 1935, the Sheep Program was inaugurated in Alex Group Insurance and in addition to other Sheep Plan in the month of August in a number of the operating areas. Since September 2 was Labor Day, the 5th followed were of the year during which should commence Sheep Plans on the Saturday weekend.

By the fall of 1935, practical experience had given way to analysis of new areas in which successes. In October 15 more city and county areas were opened, in order a cumulative total of 104. In December, 15 more areas were opened, and in the month of January, 1936, there were 124 city and county areas in operation, with 500,000 participants. The increase in the number of persons eligible to participate in the Sheep Plan particularly from the increase in the number of areas because of the increase in the number of areas because there were three more Sheep Plan areas. The instalment of the year was more therefore the number actually participated. In January of the year, the Sheep Plan was suspended in Jackson County of Ohio, because of the inability of Ohio as the end of December. At this time, Sheep Plans were being issued in the form of well

over two million dollars a month throughout the Region.

From December, 1940, to the end of June, 1941, blue stamp issuance increased to a cumulative value of approximately $29,000,000. The most rapid expansion yet seen in Region II occurred during May and June, 1941, when 203 new counties more than doubled the number of city and county areas in operation, bringing the total to 371. Participation and value of blue stamps issued did not keep pace with the number of new counties opened. This was partly due to the fact that many sparsely populated areas were being brought in, but even more important was the decline in public assistance loads throughout the country.

D. Types of Cases Participating

In the 371 city and county areas operating during June, 1,027,260 persons received blue stamps. This was 64% of all persons eligible. Following is a table which shows a breakdown by persons of each category eligible and participating in the Food Stamp Program and the percentages of participation:

NUMBER OF PERSONS ELIGIBLE AND PARTICIPATING IN
FOOD STAMP PROGRAM BY CATEGORIES IN REGION II.
June, 1941

	Persons Eligible	Persons Participating	% of Participation
Old Age Assistance	217,173	95,527	44.0
Aid to Dependent Children	142,152	96,791	68.1
Aid to the Blind	6,127	3,051	49.8
Total Social Security	365,452	195,369	53.5
Work Projects Administration	574,606	376,152	65.5
General Assistance:			
Purchase	513,874	375,585	73.1
No-Purchase	23,299	17,398	74.7
Other Federal	16,841	7,097	42.1
Non-Assistance Purchase	9,433	5,736	60.8
Composite	101,661	49,923	49.1
Total	1,605,166	1,027,260	64.0

During June the "no-purchase" General Assistance category had a participation of 75%, the highest of all groups. While the Aid to Dependant Children group of 68% was well above the average for the Social Security categories, the General Assistance "purchase" group was still higher with 73%. WPA, with the largest number of eligibles, had only 65% participating which is only one per cent above the average of participation of all

over the military dictate a most thoroughgoing war program.

Even therefore, 1941, in the end of June, 1941, also every income increased in a considerable value of approximately 10,000,000. The only small increase was even in August 11 received until during June, 1941, when 200 new creations were then included the number of city and county agencies in operation, integrated total to 201. Participation was which of the change lasted did not have year with the course of the program. Only was partly due to the fact. Some more counties participated across were being brought in, but were more important was the activity in getting industrial land Brought the country.

D. Effect of Local Participation

In the 201 city and county area operations during June, 1,000,000 previous received also change. This was due of all persons activities. Participation in a period which shows a Development in operation of each subsidy activity and participation in the from change Programs and the participation of participation.

CHANGES IN PERSONNEL ACTIVITIES AND PARTICIPATION IN
FOOD STAMP PROGRAM BY CATEGORIES IN PERIOD 19.
APRIL 1941

	Increase Activity	Increase Participation	% of Increase Participation
Old Age Assistance	[illegible]	[illegible]	[illegible]
Aid to Dependent Children	[illegible]	[illegible]	[illegible]
Aid to the Blind	[illegible]	[illegible]	[illegible]
Total Local Agency	[illegible]	[illegible]	[illegible]
Work Projects Administration	[illegible]	[illegible]	[illegible]
National Industrial Recovery Act			
Programs	[illegible]	[illegible]	[illegible]
Re-Employment	[illegible]	[illegible]	[illegible]
Other Employed	[illegible]	[illegible]	[illegible]
Non-Activities Total	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

During June the "Unemployed" Special Investigation Program had a participation of 20%, the highest of all groups. Only in the Aid to Dependent Children group of 20% was well above the average for the period of June. The majority of the Aid to Dependent Children group was the Aid to the Blind, which was 17%. Only with the Aid to Dependent Children, and only 20% participation which is only a per cent above the average for participation of all

categories in the Region.

While the above table reveals the percentage of participation within each category, the following table shows the percentage that each category is of the total number of the persons eligible and those participating:

PERCENTAGE BY CATEGORIES OF TOTAL PERSONS ELIGIBLE AND PARTICIPATING IN THE FOOD STAMP PROGRAM IN REGION II.
June, 1941

	Per Cent Eligible	Per Cent Participating
Old Age Assistance	13.5	9.3
Aid to Dependent Children	8.9	9.4
Aid to the Blind	0.4	0.3
Total Social Security	22.8	19.0
Work Projects Administration	35.8	36.6
General Assistance:		
Purchase	32.0	36.5
No-Purchase	1.5	1.7
Other Federal	1.0	0.7
Non-Assistance Purchase	0.6	0.6
Composite	6.3	4.9
Total	100.0	100.0

Of the 1,600,00 persons eligible to obtain food stamps, the WPA represented the largest group with 36 per cent; however, the General Assistance "purchase" group with a slightly smaller ratio of eligibles and WPA show an equal percentage of the total number of persons participating. Approximately 23 per cent of all eligible persons were in the Social Security groups, but their participation was only 19 per cent of the total number of persons participating.

E. Rates of Blue Stamp Issuance

From the beginning of the program to the end of 1940, blue stamp issuance per person increased considerably. After the first few months when families were just beginning to participate, some of them for only part of a month, average issuance leveled off at about $2.00 per person per month, remaining at this level until March, 1940. The issuance rate then increased throughout the remainder of the year, reaching $2.56 in December, which is the approximate level maintained since that time.

At the beginning of the Stamp Plan, families were required to purchase orange stamps purchased at the rate of $1.00 per person per week.

employees in the industry.

Table 1 shows total receipts for manufacture or particulars of other work undertaken, the following table shows it's percentage into each category in of the total income of the persons eligible and those ineligible.

PERCENTAGE OF INCOMES OF TOTAL PERSONS ELIGIBLE AND INELIGIBLE FOR BUT NOT ACTUALLY PRODUCING ELECTRICAL TABLE II.

Year, 1948

	Per Cent Eligible	Per Cent Ineligible
Old Age Assistance	1.9	0.8
Aid to Dependent Children	1.9	0.1
Aid to the Blind	0.1	0.0
Total Social Security	3.9	0.9
State Employee Administration	37.7	0.4
Veterans Administration		
Pensions	30.0	0.0
Hospitals	1.0	1.7
Other Veterans	1.0	0.7
Unemployment Insurance	0.8	0.0
Disability	0.7	0.0
Total	100.0	100.0

In the Eligible persons eligible to receive Social Security, the city recommended the largest group with 3.9 per cent income, the Veterans Administration "Pensions" group with a slightly smaller ratio of eligibility and the state employee administration of the total number of persons receiving-pension. Approximately 30 per cent of all eligible persons were in the Veterans Pension group. The table indicates the relative importance of the total number of persons receiving-pension.

5. Status of Size Income Income

Does the majority of the persons in the and of 1948, the study income income for persons investment multiplied. Since the first investment when factors were just beginning to produce, some of them for only part of a month, average income included only as where $50.00 per person per month, resulting in the table shown below. The Economic role the business investment the manufacture of the year, resulting $50.00 in income, which is not significant small material adjustment.

In the instance of the study 1948, that line were received in previous study persons participant in the year of $1.00 per person per month

With a two to one ratio of orange to blue stamps, this made an issuance rate of fifty cents per person per week in blue stamps, or slightly more than $2.00 per person per month. Families not required to purchase orange stamps, usually those receiving general assistance, received about $2.00 per person per month in blue stamps.

The required orange stamp purchase of $1.00 per person per week was based on a series of comprehensive studies conducted in 1935 and 1936 by the Bureau of Labor Statistics of the United States Department of Labor and the Work Progress Administration, with the assistance of several other agencies of the federal government. These studies showed that food expenditures for a large proportion of our population - families receiving public assistance and those in the lowest income brackets - were five cents per person per meal, or about $1.00 per person per week. When the Stamp Plan was made available to these same groups, the $1.00 per person per week orange stamp minimum purchase requirement was intenden as a device to "freeze" the normal food purchases of these families, in order that the blue stamp subsidy would be spent for additional food, and would not be used as a substitute for food that would have been bought without the subsidy. It was soon leaned, however, that although the average food expenditures of the lowest-income families had been approximated by the Department of Labor studies, expenditures of individual families which helped to make up this average varied widely. Small public assistance families, for example, usually spend more money per person for food than larger families in comparable economic circumstances. Due to differing work relief wages and widely varying public assistance standards, families in different parts of the country spend amounts for food which vary considerably from the average. In many southern areas families with little or no income of their own eke a bare existance, while in some northern cities public assistance families are able to buy enough food to provide a dietary level that approaches adequacy.

In order actually to insure continuation of normal food purchases, therefore, it was found necessary to increase orange stamp purchase requirements for those groups whose expenditures ordinarily exceeded $1.00 per person per week and to reduce the requirements in other instances. In the Midwestern Region, most of these revisions were upward. Another reason for the increase in orange stamp purchases was the fact that most participating families were permitted to buy more than their minimum requirement, and educational efforts toward increasing orange stamp purchases voluntarily was carried on continuously. The increase in minimum requirements, however, probably accounts for most of the increase in average stamp purchases. This trend toward increased minimums shows itself most prominently between March and August of 1941, when blue stamp issuance per person per month increased from $2.00 to $2.55. This trend received marked impetus in August when 175,703 Chicago relief recipients, receiving an average of $2.92 in blue stamps, were brought into the Stamp Program.

At the close of the fiscal year, June, 1941 per capita blue stamp issuance stood at $2.54.

still a long ways from the goal of wages in line with productivity. Little work on increased rate of fifty cents per person per week is this change, or slightly more than $1.00 per person per month. Twelfths are included in production costs, especially those involving general maintenance, averaging about $1.00 per person per month in this change.

The required average wage payment of $1.00 per person per week was based on a number of miscalculations whether considered in 1948 and 1949 by the Bureau or later. Statistics of the United States Department of Labor and the Wartime Prices Administration, with the exception of personal salary expenditure of the federal government. These statistics showed that the economic conditions for a large proportion of our population - particularly residing within metropolitan areas - were in the lowest income brackets - some five million per person per week, or about $1.00 per person per month. Then the thing that was made available to these same people, the $1.00 per person per week through minor incidental payments represented was insufficient as a substitute for "income" the normal food production of these families, in other words the $1.00 would probably merely enable the same that additional food, and would not be used as a substitute for food that they would have been bought at least the minimum. It was such however, because, that although the average food expenditure of the lowest-income families had been supplemented by the expenditure of labor efforts, expenditures of individual families which helped to make up this average varied widely. Small public assistance facilities, for example, usually spent more money per person for food than larger facilities in metropolitan areas - always excepting. The big difference was small enough to make it worthwhile providing public assistance schedules, facilities in different parts of the country spend amounts for food which were considerably from the average. In many instances facilities with little or no income of that - one was a hard situation, while in some centrally located public assistance facilities are able to buy enough food to provide a dietary level that approximates adequacy.

In order adequately to insure maintenance of minimum food provisions, therefore, it was first necessary to increase energy (money) provided facilities - mainly for those groups whose expenditures sufficiently exceeded $1.00 per person per week and to reduce the requirements in labor contributions. In the following table, most of these developments are shown. Another reason for the increase in energy allowed provisions was the fact that many participating facilities were provided to the lower side their basic allotment requirements, and where political activity therefore increasingly energy allowed provisions relatively was secured in consequence. The increase in so-called utilities, however, probably corresponds the most of the increase in energy allowed provisions. This and the lower increase allowed for food provisions particularly between March and August of 1951, when this allowed provisions per person were actually increased from $1.00 to $1.17. This typical monetary equal increase in August when $1.17 Bureau retail prices, resulting an average of $1.30 in food stamps, were brought into the food provisions.

In the winter of the fiscal year, here, 1949 per month this energy increased about to $1.17.

F. Comparison of the Program in Individual States of Region II

The following table shows the number of counties in the twelve states of Region II, the population of these counties, the number of counties in which the Stamp Program is in operation, and the percentage of coverage as of June 30, 1941:

STATUS OF FOOD STAMP PROGRAM IN REGION II BY STATES

States of Region II.	Number of Counties	Population of State 1940	Number of Counties with Stamp Program	Population of Counties with Stamp Program	Percent of Coverage by Counties	Percent of Coverage by Population	No. of Participants	Percent Participation of State Pop.
			June 30, 1941				June, 1941.	
Minnesota	87	2,792,300	84	2,689,342	96.6	96.3	162,267	5.8
North Dakota	53	641,935	49	605,348	92.5	94.3	43,815	6.8
South Dakota	69	642,961	~~62~~ 63	595,279 584,[illegible]	89.9	92.6	43,827	6.8
Iowa	99	2,538,268	45	1,493,610	45.5	58.8	92,326	3.6
Nebraska	93	1,315,834	38	853,231	40.8	64.8	73,642	5.6
Wisconsin	71	3,137,587	18	699,388	25.6	22.3	40, 160	1.3
Kansas	105	1,801,028	24	850,176	22.9	47.2	55,736	3.1
Ohio	88	6,907,612	19	3,719,842	21.6	53.9	122,387	1.8
Illinois	102	7,897,241	12	4,162,206	11.8	52.7	187,009	2.4
Michigan	83	5,256,106	9	3,221,330	10.8	61.3	95,247	1.8
Missouri	115	3,784,664	6	1,794,330	5.2	47.4	89,196	2.4
Indiana	92	3,427,796	3	270,980	3.2	7.9	15,485	.4
Kentucky △1	2	165,057	2	165,057	-	-	6,163	3.7
Total	1,059	40,308,389	371	21,120,119	35.3	52.4	1,027,260	2.5
U. S. Total		131,669,275					3,924,967	3.0

△1 Two Kentucky counties (Campbell & Kenton) are operated out of the Cincinnati, Ohio, area office.

[illegible] of Vital Statistics Problems in Regard to [illegible] in States

June 30, 1941

States of Reporting Jurisdiction	Number of Reporting Counties	Population of State Covered	Number of Counties with Birth Income	Population of Counties with Birth Income	Percent of Counties by Population Reporting	Percent of Bs. of Counties by Birth. Population	Percent Increase Population of State in [illegible]
Minnesota	87	[illegible]	84	[illegible]	96.6	96.3	[illegible]
North Dakota	53	641,935	49	[illegible]	92.5	93.3	6.3
South Dakota	64	642,961	62	[illegible]	96.9	96.6	6.2
Iowa	99	[illegible]	45	[illegible]	45.5	92.6	3.6
Nebraska	93	[illegible]	36	[illegible]	38.7	64.3	3.6
Kansas	71	[illegible]	19	[illegible]	26.8	32.3	1.3
Kansas	101	[illegible]	24	[illegible]	23.8	47.5	3.1
Ohio	88	[illegible]	19	[illegible]	21.6	32.9	1.8
Illinois	102	[illegible]	22	[illegible]	21.6	28.7	2.4
Indiana	83	[illegible]	9	[illegible]	10.8	21.3	1.8
Missouri	114	[illegible]	6	[illegible]	5.3	47.4	2.4
Indiana	92	[illegible]	3	[illegible]	3.3	7.9	4
Kentucky △	2	161,627	2	161,627	-	-	3.7
Total	[illegible]	[illegible]	[illegible]	[illegible]	31.3	38.4	[illegible]
U. S. Total		131,669,275					3.9

△ The Kentucky counties (Campbell & Boone) are combined and not [illegible]
Statistical, Ohio, some [illegible].

It is interesting to note that although 35.3 per cent of the counties have the Stamp Program, these counties represent approximately 52.4 per cent of the population of the Region.

G. Comparison of Region II with Remainder of the Country

The population of Region II in 1940 was 40,308,389 or 30.6 per cent of the 131,669,275 people in the United States. In June, 1941, there were 3,924,967 persons participating nationally in the Food Stamp Program, of whom 26.2 per cent or 1,027,260 persons were participating in Region II. In Region I there were 617,250 participants; in Region III, 940,271 participants; and 1,340,186 in Region IV.

Expansion of the Program on a nation-wide basis, of course, depends upon the availability of funds and also upon the solution of local problems in various counties of the several States. There are, at present, nine States in the Western Region and two States in the Eastern Region on a state-wide basis. As of June 30, 1941, Minnesota, North Dakota and South Dakota in Region II were approaching a state-wide program.

It is interesting to note that although 52% of the workers have the sleep regime, their sleeping requirement approximately 1/3 of the population.

B. Comparison of Phases II with Phase I of the Survey

The population of Phase II is 1/2 of Phase I or 1/4 of the total of the 10,000,000 people in the United States. In Phase, 1000 there were 1,000,000 persons participating and working in the first sleep regime, of which 1/2 per week or 1,000,000 persons were participating in Phase II. In Phase I there were 2,000,000 participants in Phase III, 500,000 were participants and 1,000,000 in Phase IV.

Expansion of the program on a nation-wide basis, of course, depends upon the availability of funds and also upon the adaptation of local programs to various sections of the country. There are, at present, also funds in the Western Region and the Eastern in the Southern Region as a whole-wide basis. As of June 30, 1966, Illinois, North Dakota and South Dakota in Phase II were experimenting a three-shift program

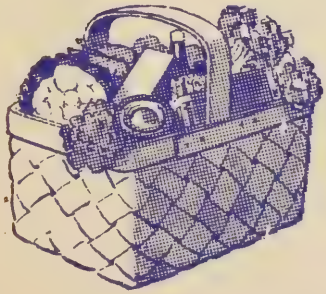
THE FOOD STAMP PLAN

★★★★

"Bridges The Gap Between Price Depressing Farm Surpluses and Under-Consumption in Cities"

★★★★

HOW THE PLAN OPERATES



Helps the Farmers, Consumers and Industry of America

★★★★

U. S. DEPARTMENT OF AGRICULTURE

Surplus Marketing Administration

The Purpose of the Food Stamp Plan

The main purpose of the Food Stamp Plan is to help our farmers. The farmers of America are raising more food than they can sell at a fair return. One-fourth of the country's population are farmers. They have 30% of our nation's children. Yet, they receive only 11% of the national income. As a result they cannot buy many needed city-made goods.

If the farmers' income can be increased they will be able to buy more things they need from the cities. This will make more jobs for the people in the cities. Then the city people will be able to buy more farm products.

The Food Stamp Plan gives more buying power for needed foods to families receiving public assistance. While no one has to take part in the Food Stamp Plan, those who do can get 50% more food for their money. This increases their consumption of our farm products.

The thousands of grocers and other retail food merchants who are cooperating in the plan are acting as "salesmen" for our farmers. They are helping to increase consumption of burdensome farm surpluses by everybody — both public assisted people and the general public.

Under the Plan, eligible participants can select—right off their grocers' shelves—the kind and quantity of foods they need. Thus, these underprivileged families receive a more healthful, and better balanced diet of vitamin-rich foods for themselves and their growing children.

In the areas where the Food Stamp Plan becomes operative, surplus foods are no longer given away at distribution depots.

WHO CAN TAKE PART IN THE PLAN

All households receiving public assistance and certified as eligible in areas where the Plan is operating, may take part in the Plan.

All grocers and other retail food merchants who have registered with the Surplus Marketing Administration in areas where the Plan is operating, may participate.

HOW ELIGIBLE HOUSEHOLDS CAN TAKE PART

Eligible households can take part in the Plan by using a new form of purchasing power called Food-Order Stamps. These stamps are good for food in all participating grocery or other retail food stores.

TWO KINDS OF FOOD-ORDER STAMPS

There are two kinds of Food-Order Stamps. One kind is colored orange and the other blue. Both kinds are worth 25 cents each in trade for food with any participating retail food merchant.

These orange Food-Order Stamps are sold to persons taking part in the Plan so they will continue their regular food purchases, and are good for any food for human consumption in the home.

With each two orange stamps bought, participants receive one blue Surplus Food-Order Stamp free. These free Surplus Food Stamps are good only for foods officially designated as being "in surplus" by the United States Department of Agriculture.

The list of surplus foods is contained in a Surplus Marketing Administration bulletin, which is posted in all participating stores. The foods so listed are among the regular items normally stocked by grocers and other retail food merchants. They are no different in quality from foods not declared surplus.

This list of surplus foods is changed from time to time, as crop conditions and farm prices

change throughout the country. The new lists are furnished grocers well in advance of the posting date for their stores. The current surplus food list may be obtained from the office that issued this pamphlet.

HOW TO BUY FOOD-ORDER STAMPS

Eligible householders who live in a city where there is a Stamp Issuing Office buy their orange Food-Order Stamps direct from that office. They must have with them the Identification Card they received from the Issuing Agency. They should also have CASH in the amount of the stamp purchase because the Stamp Issuing Office cannot cash checks.

If the householder in whose name the Identification Card is issued is unable to go to the Stamp Issuing Office, he should fill out an "Authorization of Agent" form. He should then send the signed form, together with the correct amount of cash and Identification Card to the Stamp Issuing Office by a member of his family, or a friend, acting as his agent. The Stamp Issuing Office will then sell the orange Food Stamps to the authorized agent for the use of the eligible household.

Food merchants and their employees may **not** act as agents in the purchase of Food-Order Stamps.

Householders who live in areas where there is no convenient Stamp Issuing Office may purchase their Food-Order Stamps by mail. Complete instructions on how to buy Food-Order Stamps by mail are supplied to these eligibles from their local Stamp Issuing Office.

In case of emergency, persons may get back the money they spent on unused orange Food-Order Stamps, provided these stamps are returned with the unused blue stamps in the same proportion as issued, to the office of the Surplus Marketing Administration.

AMOUNT OF ORANGE FOOD-ORDER STAMPS A HOUSEHOLDER MAY PURCHASE

Because the Food Stamp Plan is not a substitute for relief, participants must buy Food-Order Stamps in an amount equal to their former food purchases. Then they are given the free blue stamps enabling them to get $1.50 worth of food for each $1.00 they spend for the orange stamps.

The requirement that, in order to take part in the Plan, orange Food-Order Stamps must be purchased in an amount equal to former food purchases, protects the farmers by insuring that foods obtained free are in addition to, and not in place of, food formerly purchased by eligibles.

The amount of Food-Order Stamps which may be purchased each month by an eligible household is explained in a letter sent to each such household. This amount is based on the number of eligibles in the household and the amount of food ordinarily purchased for the use of the household.

Householders who receive their public assistance checks twice each month (as on W.P.A.) may buy half their required monthly amount of orange Food Stamps each half-month, if they so desire.

After participants make their first purchase of orange Food Stamps, they must continue to buy at least the smallest amount required of them, each month. They will not be allowed to buy Food Stamps unless they buy regularly.

The free blue Surplus Food-Order Stamps are issued at the same time that the orange Food-Order Stamps are purchased. Each book of orange stamps contains half as many free blue stamps.

HOW TO USE FOOD-ORDER STAMPS

As soon as Food-Order Stamps are received, the member of the household in whose name the Identification Card has been issued should

sign the inside cover of each stamp book. This must be done before any food purchases are made with the stamps.

The book of orange and blue Food-Order Stamps may then be taken by any member of the household, or other person acting as the householder's agent, to any participating retail food store.

When the head of the household cannot go to the store personally, his Identification Card should be carried by the person making the purchase for him so that the food merchant will know the agent is acting for an eligible household.

Foods purchased with both the orange and blue Food-Order Stamps will be of exactly the same quality and at the same price as if bought with cash.

FOOD STAMPS ARE GOOD ONLY FOR FOOD

Food-Order Stamps, whether orange or blue, are good only for food. They cannot be used to buy wines, liquors, beer or other alcoholic beverages. They cannot be used for tobacco in any form, for household necessities, or foods usually eaten on store premises.

They **cannot** be used in restaurants.

They cannot be used by householders to pay a bill or account.

Food purchased with Food-Order Stamps must be delivered **at the time** the stamps are given to the merchant—**not after** the delivery is made.

Food-Order Stamps cannot be transferred, traded or sold. They must be used only by the person to whom issued or his authorized agent. Any misuse of the stamps is a violation of Federal Law and is punishable by fine and imprisonment.

Loose stamps are worthless. Stamps must be torn from the stamp book at the time food is delivered.

Merchants cannot give change for stamps in cash. If a purchase is in an amount less than 25 cents, or a multiple thereof, a merchant may give a credit slip for a future delivery of food. Credit slips are not transferrable, and must show whether the credit covers purchases made with orange Food-Order Stamps or blue Surplus Food-Order Stamps.

No sales tax may be paid with blue Surplus Food-Order Stamps. Merchants must deliver 25 cents worth of surplus food for each blue Surplus Food-Order Stamp they receive.

Food stamp books cannot be left with food merchants but must be held by the person to whom issued or his authorized agent.

HOW FOOD RETAILERS CAN TAKE PART

All retail food merchants who wish to take part in the Food Stamp Plan in an area where the program is operating, or announced for operation, must first register with the Surplus Marketing Administration in that area. No fee or charge of any kind is made in connection with this registration and participation in the Plan.

To insure that all participating food merchants understand, and comply fully with the regulations and conditions governing the Plan's operation, they are required to sign a "Retailer's Statement" to this effect before being eligible to redeem Food-Order Stamps.

Food Stamps received by registered merchants in proper payment for food may be converted into cash by submitting them directly to a Surplus Marketing Administration Audit Office, or by turning them in to food wholesalers for credit on account. Also, banks, as a service for their retail food merchant customers, submit Food Stamps for redemption to the Surplus Marketing Administration Audit Office.

For redemption purposes, retail food merchants are furnished Food Stamp Cards by the Local Surplus Marketing Administration Office.

Each card holds $10.00 worth of stamps. Following audit, the United States Treasury Disbursing Office mails a government check in payment to the retailer, wholesaler or bank presenting the cards of stamps for redemption.

Government checks in payment will normally be received within two to five days after the stamps are delivered to the Audit Office of the Surplus Marketing Administration.

VIOLATORS SUBJECT TO FINE AND IMPRISONMENT

Food merchants and their employees should familiarize themselves with all details of the Plan and follow the rules and regulations carefully.

Any food merchant or any holder of Food-Order Stamps using stamps in any way other than permitted by the regulations is guilty of a felony and is subject to fine and imprisonment.

HOW TO OBTAIN FURTHER INFORMATION

Merchants, banks, wholesalers and farmers wishing further information on the Food Stamp Plan should write or call the nearest office of the Surplus Marketing Administration.

Persons certified as eligible for some form of public assistance, desiring further information, should communicate with their local welfare organizations or case worker.

April 20, 1939.

OUTLINE TO BE USED AS BASIS FOR
PREPARATION OF STAMP PLAN PROCEDURE

I. INAUGURATION OF STAMP PLAN - (BY ADMINISTRATOR OF STAMP PLAN),

A. Directs investigation in area in which it is proposed stamp Plan may be introduced.

1. Assigns representatives to area to investigate and report on the following:

a. Number of individuals depending on some form of public assistance.

b. State Relief Agency's available facilities and willingness to cooperate.

c. Proper method of issuing stamps.

d. Average weekly normal expenditures for food per family receiving public assistance.

e. Retail food stores' facilities and willingness to cooperate.

f. Consumption of "Surplus Food."

g. Willingness of banks and wholesalers to cooperate with respect to collections.

2. Studies reports of investigation and makes recommendation to President of FSCC.

B. Initiates Stamp Plan in area designated by President of FSCC.

1. Receives authorization, designation of area, and appropriate instructions from the President of FSCC.

2. Assigns representative to field to assume charge and administration of plan.

3. Prepares procedure and instructions for operation of Plan in area. (A uniform operating procedure to be developed for use of Administrator's field representatives and field offices based on results of operations in Rochester office.)

   a. Furnishes field representative operating procedure, operating instructions, administrative instructions covering employment of personnel, renting office space, purchasing supplies, handling of travel expense vouchers, payrolls, et cetera.

   b. Furnishes field representative Stamp Plan material for distribution among retail food stores, banks, wholesalers, State Relief Agencies, et cetera.

C. Announces basis of issuing stamps.

   1. In accordance with maximum and minimum quantities prescribed in Sec. 200 of Secretary's Regulations, or

   2. In case of destitute persons determines and prescribes special formula.

D. Prepares and circulates "Surplus Food" Bulletin listing food which may be obtained by blue stamps.

   1. In accordance with Sec. 101 of Secretary's Regulations.

E. Requests FSCC Treasurer to make available in area supply of stamps for sale and issue.

II. ALLOCATION OF FUNDS --REQUISITION OF STAMPS --(BY FSCC TREASURER:)

A. Receives from Administrator request for supply of stamps to meet anticipated needs.

B. Requests Chief Disbursing Officer, U. S. Treasury Department to direct delivery of stamps to authorized issuing officer.

   1. Request includes quantity, type of books and proper instructions as to name and address of issuing officer.

   2. Receives copy of Chief Disbursing Officer's request to Bur. of E. & P. for delivery of stamps.

   3. Obtains copy of issuing officer's receipt of stamps through Chief Disbursing Officer.

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
- FOOD STAMP DIVISION -

TO: REGIONAL DIRECTORS, ASSISTANT REGIONAL DIRECTORS AND FIELD REPRESENTATIVES.

- TENTATIVE FIELD MANUAL - PART I -
Issued October 1, 1939

NARRATIVE OUTLINE OF STEPS TO BE TAKEN IN SURVEYING A CITY OR AREA FOR THE FOOD STAMP PROGRAM

In surveying areas in connection with the expansion of the food stamp program and in the subsequent designation of some of those areas, certain steps must be taken and certain limitations on the regional office must be observed. It is not the purpose of this memorandum to fix in all respects a rigid procedure that must be observed. Rather the memorandum should be construed as a general outline of the framework within which you should operate in expanding the plan, although those parts of it which set forth the functions which the Washington office will continue to perform, must be strictly observed by all field representative.

PRELIMINARY STEPS TO BE TAKEN BEFORE MAKING A SURVEY

Before surveying any cities as possible areas to which the stamp plan will be expanded the following steps will be, or will have been, taken:

1. Transcripts of all letters received in Washington from cities or areas relative to the food stamp plan, and replies thereto, will be sent to the Regional Director.

2. A letter will be sent from the Washington office to the Regional Director indicating the order in which certain of the areas from which requests for the stamp plan have come should be surveyed.

3. A memorandum containing certain economic background information about each area will be prepared in Washington and forwarded to the Regional Director together with the letter referred to in paragraph 2 above.

4. In the future, letters received in Washington from persons requesting that their area be selected will be acknowledged from Washington but

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
- FOOD STAMP DIVISION -

TO: REGIONAL DIRECTORS, ASSISTANT REGIONAL DIRECTORS AND FIELD REPRESENTATIVES.

- TENTATIVE FIELD MANUAL - PART I -
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NARRATIVE OUTLINE OF STEPS TO BE TAKEN IN SURVEYING A CITY OR AREA FOR THE FOOD STAMP PROGRAM

I N D E X

A P P E N D I X

C. Receives daily report covering quantity of stamps sold and issued.

1. From Administrator's field representative (telegraphic)

2. From Chief Disbursing Officer (W.P.A. Employees').

D. On basis of above reports transfers funds to account of Chief Disbursing Officer to cover value of blue stamps issued.

1. Certifies Form 1669.

E. Maintains fiscal amouunts incident to operation of Stamp Plan.

F. Makes current reports to Administrator.

III. DISTRIBUTION OF STAMPS TO ISSUING OFFICERS - (BY U. S. TREASURY DEPARTMENT: CHIEF DISBURSING OFFICER, REGIONAL DISBURSING OFFICER, AND FIELD DISBURSING OFFICER):

A. Receives request from FSCC Treasurer to direct Bur. of E.&P. to deliver stamps to authorized stamp issuing officer.

B. Determines availability of funds in his account for the credit of FSCC of an amount equal to or greater than the potential value of blue stamps ordered from Bur. of E. & P.

1. Prepares journal voucher crediting Reserve Account for Redemption of Blue Stamps.

C. Requisitions Bur. of E. & P to deliver stamps to authorized stamp issuing officer.

1. Transmits copy of requisition to FSCC Treasurer.

D. Obtains receipt for stamps from authorized stamp issuing officer.

1. Transmits copy of receipt to FSCC Treasurer.

E. Receives daily from Field Bisbursing Officer and authorized stamp issuing officer:

1. "Statement of Stamp Transactions" covering stamps sold and issued.

a. Transmits signed copy to FSCC Treasurer.

2. Certificate of Deposit, Form 6599, covering proceeds from sale of orange stamps deposited in Federal depository to account of Chief Disbursing Officer.

a. Transmits signed copy to FSCC Treasurer.

3. Schedule of Collections, Form 1044, covering receipts from sales of orange stamps.

F. Prepares Voucher 1699 covering value of blue stamps issued.

1. Transmits to FSCC Treasurer for certification.

2. Upon receipt of FSCC Treasurer's certification, transfers funds from Reserve Account to Checking Account.

G. Transfers funds to Regional Disbursing Officer in accordance with needs.

H. Prepares Schedule of relief eligibles to support Account Current.

I. Breakdown of foregoing steps and additional steps of procedure to be developed by U. S. Treasury Department.

IV. ISSUANCE OF STAMPS TO RELIEF ELIGIBLES - -(BY AUTHORIZED AGENCIES):

A. Authorized agencies defined. (State Relief or Public Welfare Agencies, W.P.A., Social Security, et cetera.)

B. Certifies to eligibility of relief clients to receive stamps and quantity which eligible is to receive.

1. Authorized state and local agencies issue cards of identification and eligibility to relief eligibles.

a. Furnishes Administrator's field representative schedule of relief eligibles to whom identification cards have been issued.

2. W.P.A. obtains requests from employees to participate in Plan.

a. Makes necessary arrangements to have stamps issued with payroll checks.

b. Arrangement for pick-up of used stamp book covers.

c. Transmits used stamp book covers to Administrator's field representative.

NOTE: W.P.A. WILL PREPARE PROCEDURE COVERING THEIR PHASES OF ADMINISTRATION.

C. Instructions to authorized agencies covering above to be prepared.

[illegible]

V. ISSUANCE OF STAMPS TO RELIEF ELIGIBLES - - (BY AUTHORIZED ISSUING OFFICERS):

A. Authorized issuing officer defined.

1. Representatives of U. S. Treasury Department only with respect to W.P.A. employees, and,

2. Administrator's Field representative with respect to all other classes of relief eligibles.

B. Furnishes bond in amount prescribed by Chief Disbursing Officer.

C. Determines amount of stamps required for area, and requests supply from Chief Disbursing Officer through Administrator.

D. Receives stamps requisitioned from Bur. of E. & P. by Chief Disbursing Officer and receipts therefor to Chief Disbursing Officer.

E. Sells or issues stamps to relief eligibles upon presentation of proper evidence.

F. Obtains signed certifications on stamp book covers by relief eligibles at time of issuance.

G. Obtains used stamp book covers as required by Sec. 100 of Secretary's Regulations.

H. Maintains adequate individual record of stamps sold and issued.

I. Receives money from sale of orange stamps and deposits in Federal depository to the account of the Chief Disbursing Officer.

J. Prepares for daily transmittal to Chief Disbursing Officer:

1. "Statement of Stamp Transaction."

2. Certificate of Deposit, Form 6599.

3. Schedule of Collections, Form 1044.

4. Schedule of stamps sold showing names of relief eligibles and amount of stamps issued to each.

K. Prepares daily telegraphic report of stamp transaction for transmittal to FSCC Treasurer.

L. Issues "Surplus Food" Bulletins, instructions, and information as directed by Administrator relative to Stamp Plan to:

1. Authorized relief agencies.

2. Relief clients

3. Retail food stores.

4. Wholesalers.

5. Banks and other interested parties.

VI. PURCHASE OF STAMPS AND THEIR EXCHANGE FOR FOOD --(BY RELIEF ELIGIBLES):

A. Relief eligible defined. (W.P.A. employees or persons certified by authorized relief agencies.)

B. Obtains certification of eligibility from authorized relief agencies.

1. W.P.A. employees authorized payroll deductions.

C. Purchases and secures from authorized issuing officer orange and blue stamps.

1. W.P.A. employees receive stamps with payroll check.

D. Surrenders old stamp book covers to authorized issuing officer at time of purchase of third and subsequent stamp books.

1. WPA employees surrender old stamp book covers to W.P.A. project directors.

2. Executes and transmits to authorized issuing officer affidavit on approved form in case old stamp book cover is lost.

VII. DISTRIBUTION OF FOOD AND OBTAINING PAYMENT THEREFOR - (BY RETAIL FOOD STORES):

A. Retail food store defined. (Sec. 300 (c), Article III of Secretary's Regulations.)

B. Posts in prominent place "Surplus Food" Bulletin received from Administrator's Field Representative.

C. Establishes identify of person presenting stamps for food.

D. Retail food merchant requires stamps to be detached by relief eligibles in the presence of himself or his employees.

E. Exchanges food for stamps presented by relief eligibles.

1. All foods exchanged for orange stamps.

2. "Surplus Food", prescribed in "Surplus Food" Bulletin, exchanged for blue stamps.

F. Affixes stamps to stamp cards (Forms FSC 458 and 459.)

G. Executes certification on stamp cards.

H. Prepares and presents Invoice, Form 480, for payment, supported by stamp card, direct to FSCC or transfers stamp cards to designated agencies (wholesaler, bank, or U. S. post office.)

I. Instructions to retail food stores covering above to be prepared.

VIII. PRESENTATION OF CLAIMS FOR REDEMPTION PAYMENT OF STAMPS - (BY RETAIL FOOD STORES OR BY DESIGNATED AGENCIES):

A. Designated agency defined. (Food wholesalers, banks, or post offices.)

B. Retail food store or designated agency prepares invoice, FSCC Form No. 460, in accordance with instructions of FSCC Audit Section.

C. Submits claims to FSCC field audit offices.

D. Receives payment by check drawn on Treasurer of United States.

E. Instructions to retail food stores and designated agencies covering above (to be prepared by FSCC Audit Section).

IX. CERTIFICATION OF CLAIMS FOR REDEMPTION PAYMENT OF STAMPS --(BY 6FSCC AUDIT SECTION)

A. Receives claims from retail food stores or designated agencies.

B. Examines claims as to proper form.

C. Prepares and executes vouchers, FSC Form 461.

D. Schedules claims to Regional Disbursing Officer for payment.

E. Instructions to Field Audit offices covering above. (To be prepared by FSCC Audit Section).

X. PAYMENT OF CLAIMS - - (BY U. S. TREASURY DEPARTMENT):

A. Regional Disbursing Officer receives funds from Chief Disbursing Officer.

B. Regional Disbursing Officer receives certified claim from FSCC Field Audit Offices.

C. Regional Disbursing Officer issues checks to payees (retail food stores).

D. Regional Disbursing Officer reports funds disbursed to Chief Disbursing Officer.

E. Chief Disbursing Officer reports expenditures to FSCC Treasurer through Account Current.

will be forwarded to the regional office for reply. Several suggested form replies will be provided the regional office by the Washington office, together with a questionnaire which should be sent to the first of those persons requesting the selection of a city or area who occupy official positions or who represent organizations such as the Chamber of Commerce, the retail grocers association, etc. The form reply will suggest that the questionnaire be turned over to the proper relief officials for answering, since they are the logical source of the information the questionnaire is designed to obtain. Questionnaires should probably not be sent to persons who write in only as individuals and care should be taken that no more than one questionnaire is sent to each area, because replies must be prepared by the proper relief officials (in most areas, the public welfare board) and all questionnaires will undoubtedly find their way to them. This should not be construed, however, to preclude sending a questionnaire to a mayor, city manager or other city official with wide responsibility in the event proper tact seems to dictate such a course. Letters to persons who make a request for a given city after a questionnaire has already been sent may be informed that such questions have been sent and be told the person to whom they were directed. Copies should be sent to the Washington office of all replies by the Regional Director to persons making requests that a given area be designated.

5. After having considered the suggestion of the Washington office as to the order in which the cities making requests should be surveyed, the Regional Director will advise the Washington office of the specific city in which he wishes to start the survey and the date on which he wishes to do so. The Washington office should be informed of the name of the person who will be in charge of the survey and the hotel at which he will be located in the event that the survey is authorized.

6. The Washington office will advise the Regional Director if such a survey is approved and such approval will indicate that, in the interest of securing the necessary cooperation for the program in the city to be surveyed, the Washington office has:

   (a) Advised the Work Projects Administration and the Social Security Board and forwarded the names of their state or regional officials to the FSCC regional office so that the representatives making the survey can meet and discuss the operation of the plan with the state or regional officials of those agencies and members of their staffs.

   (b) Informed interested members of Congress so they will know of the contemplated survey.

   (c) Informed Mr. John Logan, President of the National Association of Food Chains, and Mr. Hector Lazo, Executive Vice President of the Cooperative Food Distributors of America, and requested that they advise representatives of their associations in the cities to be surveyed so that those representatives can assist and cooperate with the representative making the survey. (Mr. Logan and Mr. Lazo, who are both in Washington, together with Mr. Charles E. Smith, of Dayton, Ohio, are members of a sub-committee appointed by the

National Food and Grocery Conference Committee to work with, and assist, the Federal Surplus Commodities Corporation in the selection of areas to which the food stamp plan should be extended.

(d) Notified Mr. E. F. Bartelt, Treasury Department, and Mr. Guy F. Allen, Chief Disbursing Officer, Treasury Department, Washington, D. C., in order to insure effective and speedy redemption of the stamps for food merchants and banks.

(e) Informed Mr. D. J. Harrill, Auditor, Federal Surplus Commodities Corporation in order that the Auditing Section can make plans to have a sufficient number of auditors present in the city to take care of the program when it opens.

(f) Notified Mr. J. C. Foulis, Assistant to the President, FSCC in order that he can assist the Regional Director in all clearance matters for local employment. Local representatives in charge of the program employ on their L/A clerical and stenographic help. Lists of names from which such persons should be selected will be furnished and the local representatives should not employ anyone unless their names are on such lists or have been cleared, specifically, through the Washington office. Mr. Foulis will also assist the Regional Director in approval of office space in the city, should it be desired, as well as see that prompt shipment of office furniture, supplies and food stamps is made.

(g) Informed Mr. David Lasser, President of the Workers' Alliance of America in order to secure names of Workers' Alliance officers in the city so that Regional Directors will be in a position to have them explain the benefits of the food stamp plan to their membership.

(h) Notified Mr. Frank Grimes, President, Independent Grocers Alliance Distributing Company, Chicago, Illinois, to insure further cooperation in the program by the food industry. (Mr. Grimes is a member of the National Food and Grocery Conference Committee and is Vice President of the National Voluntary Groups Institute, an independent grocers organization).

(i) Notified Mrs. R. M. Kiefer, Secretary, National Association of Retail Grocers, Chicago, Illinois. Mrs. Kiefer's office will request the local representative of the Retail Grocers Association to cooperate with the representative making the survey and probably will continue to furnish, as it has in the past, display cards and other material relating to the food stamp plan for use by grocers.

(j) Informed Mr. H. C. Albin, Chief, Purchase and Distribution Division, F.S.C.C. There is a regional distribution representative of the Corporation in each region and in some states there are state distribution representatives. Valuable information as to the city and persons to be seen can be secured through these Corporation representatives. In addition, they will be able to take any necessary action in connection with stocks of commodities made available under the direct distribution program that may have to be re-shipped.

(k) Notified Mr. James Hasselman, Chief Information Officer, Marketing and Regulatory Work. This is done in order to see that all information necessary for a secretarial release is in order. For the present, at least, designation and announcement of the selection of all cities will be made by the Secretary from Washington. The Regional Director, who will be informed of the day and hour on which the Secretary's announcement will be made, will make a local announcement of the selection of a city simultaneously with the Secretary's release from Washington. This is important due to relationships which must be maintained with the press. Adequate material should be furnished to the local press in order that the city as a whole may be advised as to what is involved in the stamp program and in order that the relief clients will know the manner in which they may participate.

7. The Washington office will furnish form folders to the Regional Director to be used in making the survey. These form folders will include newspaper releases, forms of the Federal Surplus Commodities Corporation used in the stamp program and other material necessary as a background for talking with groups during the survey. At a later date, it is hoped that we will be able to furnish the Regional Director with pamphlets dealing with the stamp plan in its relationship to farmers, banks, relief clients, grocers and business men, which could be used by the local representative in setting up the program.

8. It is essential in each instance that the regional office advise the State Director of Public Welfare before initiating the survey. (As used throughout this memorandum the term State Director of Public Welfare refers to the person vested with administrative responsibility for public assistance programs in the state. An Appendix attached to this memorandum briefly outlines some of the ways in which different states administer public assistance). If no city in a particular state has heretofore been selected, it will be necessary for the representative making the survey to see the State Director of Public Welfare before going into the city that is to be surveyed. If a city has already been designated in that state it may be sufficient merely to notify the State Director of Public Welfare although in some states it will still be necessary to work with him in connection with each individual city that is surveyed because the State Board of Public Welfare or the State Director of Public Welfare has jurisdiction over the actual administration of relief in each of the local areas.

In some instances, the State Director of Public Welfare will find it necessary or desirable to discuss the inauguration of the food stamp plan with the Governor. In such instances, it is desirable that the Corporation's representative making the survey accompany the State Director so as to advise the Governor of what is involved in the operation of the plan.

It may be necessary for the State Director of Public Welfare to call together his Public Welfare Board or members of his staff. For this reason, it is advisable to request an appointment with the State Director of Public Welfare at least three days in advance of the time the Corporation's representative desires to see him.

9. The State Director of Public Welfare will ordinarily be willing to arrange for a meeting with the necessary city or county governmental officials and relief officials in the area to be surveyed. However, it is not necessary that he do so and the Corporation's representative may make such arrangements himself provided the cooperation of the state governmental and relief officials has been assured.

10. At some point during the time the survey is being made the food stamp plan should be discussed with the State Administrator of WPA. Such discussion is for the purpose of insuring the cooperation of the WPA officials in the state; of becoming acquainted with any unusual features of the administration of the WPA program that may exist in the state; of securing the benefit of this officials knowledge of the relief problem in general as it pertains to the particular area being surveyed; in short, to utilize to the fullest this likely source of helpful information.

11. At the meetings with the state governmental and welfare officials, with the State Administrator of the Work Projects Administration, and with the local governmental and relief officials, the food stamp plan should be explained in detail and some little background explanation of the operations of the Federal Surplus Commodities Corporation during the past five years should be given. (See Appendix attached hereto) The benefits that can be derived by relief cases from a health and dietary standpoint should be stressed; the opportunity for Government and business to work together should be pointed out; the advantages to farmers from this method of operation should be referred to and the fact that the food stamp plan can be adapted to almost any method of relief operation which local communities follow should be explained; the Corporation's willingness to designate an area in which the stamp plan will be operated, if state and local governmental and relief officials desire to have the Corporation do so, should be emphasized; but the necessity for complete cooperation should be stressed.

INFORMATION REQUIRED DURING A SURVEY

12. Certain essential information must be secured in order to determine whether the stamp plan can be adapted to the situation which exists in the area under survey as well as to determine which variations of the plan will best meet local conditions, for example whether orange stamps are to be sold and if so to what groups, whether blue stamps only will be issued, etc. Consequently, if the following information is not already available as a result of the questionnaire, it should be specifically requested:

(a) The average amounts of social security payments given to clients in the area being surveyed. This should be carefully analyzed as to old age assistance, aid to the blind, and aid to dependent children.

(b) The wage scale in W.P.A.: Unskilled, skilled, semi-professional and professional.

(c) The amount of cash relief given to both families and individuals.

(d) Type of direct relief given, cash or grocery orders, etc., to ascertain if those on relief have sufficient money to purchase the orange stamps.

(e) Any other phases of the state and local relief program.

13. Information should be secured, of course, as to the method of operation and the type of organization of the general relief program in each area. The Appendix to this outline includes a brief discussion of the Federal Public Assistance and Works Programs and some of the various methods of administering local relief which may be encountered. Generally the officials of the governmental unit, i. e., the state, county or city, which provides all or a part of the funds for the operation of the general relief program must be included in the meetings referred to in Section 11, as well as the relief officials who have administrative responsibility for the program.

14. When the past operations of the Corporation and the objectives of the stamp plan have been explained to the persons attending these meetings there should be a discussion of the basis on which the food stamps are issued generally and a detailed statement of the manner in which the plan operates. This should be followed by a discussion of the basis on which the food stamps would probably be issued in the particular area being surveyed.

DISCUSSION AS TO METHODS OF OPERATION

15. Unless specific authority has been given to put the stamp plan into operation on a different basis, it will be necessary to observe the following outline in discussing the basis on which food stamps will be issued.

(a) All W.P.A. workers will be required to purchase orange colored stamps at the rate of one dollar a week for each member of his family as a minimum. (In any instance in which such a requirement would result in a W.P.A. worker having to purchase orange colored stamps in a total amount exceeding one half of his monthly wage an exception can be made. This will only occur in connection with large families and in such instances we can, as we have in Dayton, where the W.P.A. unskilled wage rate is $60.50 a month, require that only WPA families of seven or less must purchase, as a minimum, orange stamps at the rate of one dollar a week for each member of the family. Families of seven or more are required to buy a minimum of seven dollars worth of orange stamps a week). Persons in both groups are permitted, however, to purchase as a maximum, orange colored stamps at the rate of $1.50 a week per person for each member of the family or in any amount between the minimum and the maximum in which the stamp books are issued.

(b) General relief cases who receive grocery orders in lieu of a cash allowance for food will not be required to purchase orange colored stamps since the grocery orders will serve the same purpose as orange colored stamps in maintaining the usual rate of food expenditures. Such cases will be given blue stamps alone at the rate of $0.50 a week for each member of the family.

(c) Persons receiving public assistance under the social security program, i. e., Old Age Assistance cases, Aid to Dependent Children cases and Aid to the Blind cases, uniformly receive their assistance in cash. In some states the cash allowance is sufficiently adequate to permit purchase of orange colored stamps at the rate of $1.00 a week for each member of the family, and in each such areas the requirement should be made that they be purchased at that rate. In other states, or areas of states, the cash allowance is not sufficient to permit purchases at that rate. In such instances, these categorical cases should not be required to purchase orange colored stamps in a total amount per month that will exceed one-half of the monthly cash allowance. In still other states where, for example, assistance under these programs averages less than $10.00 per month per case, it may be necessary (as has been done in Birmingham) to give blue stamps alone at the rate of $0.50 a week for each member of the family.

(d) Persons receiving general relief in the form of cash must, of course, be treated on the same basis as the persons referred to in (c) above who receive public assistance under the social security program.

(e) In each area, the basis on which the plan operates will be governed by the situation which exists in that area. In some areas it may be necessary to operate on a different basis with persons in the different groups. For example, in Seattle both W.P.A. workers and persons receiving public assistance under the social security program are required to purchase orange stamps at the rate of $1.00 a week for each member of the family. The general relief cases in that city who receive grocery orders, however, and certain cases that are certified as eligible for aid but who are not actually receiving public assistance are being given blue stamps alone at the rate of $0.50 per person per week. The primary thought which must be kept in mind at the time a determination is being made as to the basis on which the food stamps will be issued, is that the orange colored stamps are for the sole purpose of maintaining each family's present rate of expenditure for food.

(f) A recommendation will be made by telegraph to the Washington office by the Regional Director as to the basis on which he thinks the stamps should be issued in the area being surveyed. Exceptions to the above formulas for issuance should not be requested unless they appear to be justified by unusual circumstances. Authorization must be received from Washington before a final agreement is reached as to the basis on which the stamps will be issued.

16. After the discussion of issuance of the stamps the governmental and relief officials should be advised of the phases of operation for which the Corporation will assume responsibility--i.e., technical assistance in getting the plan set up; forms; functions in connection with redemption of the stamps; investigations and prosecutions; preparation of a question and answer pamphlet, etc.

17. This should be followed by a discussion of the responsibilites to be assumed by local governmental and relief officials. If the area requires

an orange stamp selling program, the following requirements on the part of the local welfare agency which will assume responsibility, should be emphasized.

(a) The necessity for the state, the county, the city or the Welfare Board to set up a revolving fund. Such a fund must be in an amount sufficient to enable the Welfare Board to buy enough orange stamps from the U. S. Treasury Department to permit resale on an individual case basis to all eligible families. The method of computing the appropriate amount that will be necessary for the revolving fund is probably best illustrated by the following example:

In city X there are 4,000 eligible W.P.A. workers, 3,000 eligible Social Security public assistance cases and 5,000 eligible general relief cases all of whom, in order to participate, must purchase orange colored food stamps at the rate of $1.00 a week for each member of the family. Average number of persons per case--i.e., number in the average family--is 3½ in city X thus making a total of 42,000 eligible persons. Participation, however, should be figured at about 75 percent and the above figure should for further computation be reduced to 31,500. In City X the W.P.A. persons and the general relief cases receive their payments twice a month and will, therefore, be purchasing orange stamps for two week periods. The Welfare Board should, therefore, have enough available in the revolving fund to be able to sell the 23,600 persons in the families of W.P.A. workers and general relief recipients $47,200 worth of orange stamps. The Social Security public assistance cases receive only one payment a month and therefore the Welfare Board should have available in the revolving fund, in addition to the $47,200 referred to above, the sum of $31,600 or enough to be able to sell the 7,900 persons in the families of social security public assistance cases a four weeks supply at the same time a two weeks supply is being sold to persons in the other groups. It would be necessary therefore to have a revolving fund totaling about $75,000 set up in city X.

It should be explained that stamp books will be turned over to the Welfare Board for sale to individual relief cases when payment therefor in the form of a certified check drawn on the revolving fund is delivered to the local representative of the Federal Surplus Commodities Corporation. It should also be explained that the Welfare Board will have on hand at all times cash or orange stamps equal to the original amount set up in the revolving fund and that the welfare board will be reimbursed for any unused stamp books which may be returned to the Treasury Department if the stamp plan is terminated. In general, funds appropriated for welfare purposes can be used for this fund particularly since welfare funds are now being used in all states and in most local communities to defray costs in connection with the direct surplus commodities distribution program.

(b) The necessity to provide a building large enough to facilitate the sale of stamps to large numbers of relief clients at one time.

(c) The necessity to set up physical equipment in the building to sell stamps.

(d) The necessity to provide adequate clerical help, including efficient cashiers to sell the stamps. It will be helpful to explain that in most of the cities the personnel presently employed on the W.P.A. Distribution program, if there is one, has been used for this clerical help. Such projects greatly diminish the administrative cost of the program for the city.

(e) The necessity to assume the responsibility of certifying to the Federal Surplus Commodities Corporation all clients who are eligible to purchase orange stamps. Such certification will require the making up of Federal Surplus Commodities Corporation Form 465 (office record card) showing proper case category, number, name, address, composition of family, and amounts of stamps the client eligible to purchase are to receive.

(f) The necessity to assume responsibility for sending to all clients:

(1) Letter explaining the food stamp plan and pointing out its benefits. (2) The pamphlet "Questions and Answers" which further explains the food stamp plan. (3) The client's Identification Card, which is necessary for identification for use in grocery stores. In the interest of curtailing administrative cost, the welfare department and other city officials responsible for the expenses of the program, should be told that the franking privilege of the Federal Surplus Commodities Corporation may be used to mail to clients the letter explaining the stamp plan, "Questions and Answers", identification card, etc.

(g) In cities where there is not enough cash relief given or Social Security payments are not high enough for clients to purchase orange stamps, a straight blue stamp program should be discussed.

(h) The fact that the stamp program cannot start in the city until the office record card file (Form 465) is in the food stamp office and until the identification cards are ready for the clients should be emphasized.

(1) Any attempt to hasten the opening of the program before this is done will develop grave administrative problems.

18. Frequently, the state and local governmental and relief officials will be unable, during the course of the meetings held with them, to give final assurance that they can provide the revolving fund for the purchase of the orange colored stamps and whatever additional administrative funds, if any, are necessary. Usually they will wish to have another meeting by themselves or consult with other officials before giving final approval. If their cooperation has been assured, however, and if an agreement has been worked out with those officials as to the general basis on which the plan will operate, the Federal Surplus Commodities Corporation representative making the survey will then have an opportunity to direct his attention to grocer groups.

MEETINGS WITH GROCERS AND BANKS

19. The names of several representatives of grocers organizations and of some leaders in that industry will have been made available to the Federal Surplus Commodities Corporation representative by the Washington office. These persons should be seen and asked to arrange for a small meeting of persons representing food chains, independents and wholesalers. At this meeting, the food stamp plan should be carefully explained in relationship to the food industry. The following points should be brought out:

(a) The successful operation of the food stamp plan will depend largely on the cooperation of the food industry.

(b) A high sense of morale is necessary among the food merchants to prevent petty violations.

(c) FSCC forms 458 and 459 (cards upon which the stamps received by the merchant are pasted) should be shown.

(1) Attention should be called to the certification by the merchant as to fulfillment of the regulations and conditions of the food stamp plan.

(d) If the grocers want the stamp plan, the thought should be left with them that should the Secretary designate the city, the following steps should be taken after designation and under the leadership of the Federal Surplus Commodities Corporation's representative, who will be in charge of the program:

(1) A meeting should be arranged of representatives of all groups and organizations in the food industry from which they will probably want to select a committee of from 3 to 7 to represent the food industry in the city in connection with the food stamp plan.

(2) This committee should be charged with the responsibility of sponsoring the plan among grocers and for making recommendations in connection with its operation to the Federal Surplus Commodities Corporation.

(3) The committee will also formulate plans for educating grocers and their clerks as to the manner in which the plan operates and should make appropriate arrangements to effect as much policing within the industry as possible.

(e) It should be made clear to the grocers group also that some of them will be called on to supply information in connection with the economic and marketing aspects of the program so that we will be in a position to appraise the program in its operation.

(f) The group should be informed that question and answer material about the manner in which the plan will operate will be prepared by the Federal Surplus Commodities Corporation representatives. The material

when prepared should be printed and distributed to relief clients, grocers, salesmen of wholesale houses and other interested persons. (In the interests of time the grocers committees in each city selected to date has voluntarily agreed to defray the printing cost of such pamphlets since the printing of that material by the government would consume several weeks).

(g) The meeting should be closed with the statement that if the Secretary designates the city, a complete program for the grocers will be formulated through the local representatives and the committee appointed by them.

20. Ordinarily sufficient time will have elapsed at this point for the state and local governmental and relief officials to have worked out final arrangements. Representatives of the banks in that area must be seen, however, before final recommendations on selection of the city are made by the Federal Surplus Commodities Corporation representatives to the Washington office.

21. The following matters should be considered in connection with bankers.

(a) In large cities, the president of the clearing house should be seen first.

(b) In small cities, a meeting of the leading bankers is all that is necessary.

(c) It is wise to have one or two leading grocers arrange the meeting with the bankers or the president of the clearing house and accompany the Federal Surplus Commodities Corporation representatives.

(d) The president of the clearing house should be given the following information:

(1) The purpose of the stamp plan from the Corporation's standpoint, i.e., the movement of surplus commodities to needy persons through the normal channels of trade.

(2) How the relief people get the stamps.

(3) How the stamps are used in the grocery stores by the relief clients.

(4) How the storekeepers may redeem the stamps.

(a) Through the banks (the banks acting as agents for retail stores).

(b) Through the wholesalers for credit on their bills.

(c) Through the offices of the Federal Surplus Commodities Corporation.

(5) An explanation that all stamps received by banks from grocers

or wholesalers should be sent to the auditing offices of the Federal Surplus Commodities Corporation.

(6) An explanation that after auditing, the Federal Surplus Commodities Corporation sends stamps to the nearest United States Treasury Disbursing Office and that checks from disbursing offices are mailed directly to the banks.

(7) Emphasis should be placed on the fact that arrangements have been made for quick redemption of stamps by the United States Treasury Disbursing Offices.

(8) An explanation of the stimulating effect and aid that the stamp plan should be to general business conditions in the community.

(9) An explanation that before any stamps leave the custody of representatives of the government, the money to redeem them has been set aside in the U. S. Treasury.

(e) For psychological reasons, it has been found that it is better to see the bankers last. Newspaper publicity and pressure from business men for the Secretary to designate the city usually make the bankers anxious to redeem the stamps without charge. If the banks do not cooperate in the program, there may be a possibility that the food stamp plan will not be started in a city. After explaining the plan to the president of the clearing house or to the group of bankers, suggest that a meeting of all bankers concerned be called by the president. At this meeting the stamp program should be explained to the whole group.

(1) The purpose of such a meeting is to assure the Corporation that there will be no difficulty in redemption of the stamps for the grocers.

ADVICE TO WASHINGTON AND ANNOUNCEMENT OF CITY

Usually the survey takes three or four days. The person making the survey should guard against any definite promises being made as to the city being designated by the Secretary.

After the survey has been completed and if the necessary verbal agreements are made and cooperation assured and the city seems to be a good place in which to start the stamp program, reports of these findings should be made to the Regional Director.

The Regional Director in turn should notify the Washington office as to the advisability of selecting or not selecting a city. If, in his judgment, it should be selected, the following information should be wired to Washington immediately.

1. Population of city.

2. The best figures available as to the breakdown of relief load as to W.P.A., old age assistance, aid to the blind, aid to dependent

children, direct relief, and any other factual information necessary on the relief situation.

3. Whether the cooperation of the various governmental and relief officials and representatives of grocers and bankers has been assured.

4. The recommendations as to the basis on which the stamps should be issued.

5. The day and hour on which it is recommended that announcement of the selection of the city be made from Washington and in the city being surveyed.

If that city is to be selected the Regional office will be so advised by wire from Washington and will be informed of the day and hour on which the Secretary's announcement will be made.

The representative making the survey should then take the following steps:

1. Appointments with local newspaper reporters should be made at approximately the same time as the release will be made in Washington.

2. A written release should be given to the reporters containing a general explanation of the food stamp plan and statements as to how it will apply to the city designated.

3. An approximate date for opening should be given. This will usually be about three to four weeks from the time the announcement is made.

4. The name of the local representative of the Federal Surplus Commodities Corporation who will be in charge of formulating the program should be also announced.

5. At the time of the announcement, if possible, pictures for the newspapers should be taken of city and welfare officials with statements as to their reactions to the food stamp plan and what they think it will do for those on relief, as well as for business generally in their city.

An elaborate education of the public is essential during the interim period between announcement and actual opening of the city. It should be undertaken not only with those groups already mentioned, but with business clubs, chamber of commerce officials, public health officials, etc. The whole city must become aware of the fact that the stamp plan means something to everyone in the city.

APPENDIX

BACKGROUND EXPLANATION OF THE OPERATIONS OF THE FEDERAL SURPLUS COMMODITIES CORPORATION

The Federal Surplus Commodities Corporation's operations have two purposes: to help hungry people on relief rolls, and to keep farmers from being overwhelmed by price depressing surpluses of the commodities they produce. The Corporation has sought to accomplish this two-fold objective by buying an acute surpluses of farm products and supplying them to State welfare agencies for relief distribution.

From October, 1933, the date of the formation of the Corporation to July, 1938, the cumulative purchases and expenditures of the Corporation in surplus removal operations total $146,089,815. During the period October, 1933, to December 31, 1935, other purchase programs, mostly of an emergency nature, conducted by the Corporation in conjunction with the Agricultural Adjustment Administration totaled $277,060,133. Such operations have effected approximately 50 different surplus agricultural commodities and purchases have been made in every state in the Union. The activities of the Corporation continued during the past fiscal year on about the same scale.

The programs of the Corporation have sought to encourage domestic consumption by salvaging surplus farm commodities which might otherwise have gone to waste, and distributing them for use by 2½ million families who lack the means to purchase these products. A very large number of the products distributed have been new in the diet of people on relief and desirable from a nutritive point of view. Consequently, the programs have been considered an important means of permanently increasing and broadening food consumption among low-income groups. In addition by promoting more orderly marketing through the removal of some of the excessively heavy supplies, the programs have helped to increase the income of growers not merely by the amount expended but by the beneficial effect of the surplus removal on their entire shipments. They have also been the means of stimulating grower interest in marketing problems and in improving marketing practices.

The quantities purchased by the Corporation usually have represented a very small part of the production or available supply; as a general rule, between one and five per cent, though in a few instances they have run somewhat higher. The purchase price established has always been close to the commercial level in order not to discourage consumption through normal channels, but in cases where commercial prices have been unreasonably dislocated by speculative or other temporary factors the Corporation's purchases have been made with the view in mind of establishing a judicious level for the market.

Purchases have been confined to areas producing in sufficient quantities to affect marketing conditions and to determine prices. The programs have been designed to aid all growers in a producing area but in addition it should be borne in mind that since the purchase is the equivalent of either a corresponding reduction in supply or increase in demand the beneficial effects are usually felt by all producers whether inside or outside the principal commercial

areas. The benefits to growers under the purchase programs of the Corporation have been reflected by rises in grower prices after the Corporation entered the market; by a sharp decline being slowed down or stopped; by a steadying of the market; and by an increase in the quantity of commodities moving into commercial consumption.

In only a few programs has there been any evidence that increased returns to the grower were reflected in a significant rise in the price paid by the consumer. The quantity an individual consumer buys is so small in relation to the amount that most growers sell that a sizeable increase in grower income would mean but a negligible increase in cost to the consumer. The improvement in marketing conditions has often reduced the wholesaler's risks and handling costs to the point where these increases in grower prices can well be absorbed instead of being passed on to the consumer.

The distribution of surplus commodities has been a joint operation. The Corporation has purchased commodities and shipped them to the State welfare agencies and these agencies have carried on the work of distributing them. The responsibility for determining who is to receive the surplus commodities has rested with the local relief certifying agencies. The average number of recipient families per month has been about 2,000,000 and the average distribution per family per month has been between 45 and 50 pounds of food.

It should be kept in mind that the activities of the Corporation as outlined above have been discontinued only in those areas where the stamp plan program has been inaugurated. In all other areas the purchase and distribution program is continuing to operate.

FEDERAL PUBLIC ASSISTANCE AND WORKS PROGRAMS

The Federal Public Assistance and Works Programs operate on the following basis:

(a) The Work Projects Administration is an agency of the Federal Works Agency and has its principal office in Washington. There is a State Administrator of the Work Projects Administration in each state who has jurisdiction over the program in that state. In most states the work is divided on a district basis with district offices over which there is a district supervisor. These districts frequently include several counties, although in populous areas they sometimes include no more than one. In other states the administration of the program is centralized in the state office.

In all but a few states in the United States, state or locally operated welfare agencies certify to W.P.A. the eligible persons who become W.P.A. workers. In those few states in which the W.P.A. does not use the state or local certifying agency they investigate and certify eligible workers to themselves. After workers are certified to W.P.A. and assigned to work, that agency, in most instances, periodically checks to determine the continued eligibility of such workers; in a few instances, however, this function is performed by the local certifying agency.

(b) The Social Security Board is an agency of the Federal Security

Administration and maintains its central offices in Washington. It has regional offices in the following cities:

Boston, Mass.	New York, N. Y.
Philadelphia, Pa.	Washington, D. C.
Cleveland, Ohio	Chicago, Illinois
Birmingham, Ala.	Minneapolis, Minn.
Kansas City, Mo.	San Antonio, Texas
Denver, Colorado	San Francisco, Calif.

The public assistance programs of the Social Security Board are joint Federal-State programs. These public assistance programs are divided into the following three categories:

(1) Old Age Assistance
(2) Aid to Dependent Children
(3) Aid to the Blind

In all instances the programs are operated by state agencies in accordance with state plans based on appropriate legislation which complies with specific requirements of the Federal Act.

The Social Security Board makes cash grants periodically to states having approved social security programs.

Under the Old Age Assistance and Aid to the Blind programs, Federal funds in an amount not to exceed $20.00 are used to match an equal amount of State funds for a total grant of up to $40.00 per month, per case. The total monthly federal grant per case may not exceed $20.00, however, the total monthly state grant may be in excess of $20.00.

Under the Aid to Dependent Children, program, Federal funds are used to match State funds, at the ratio of 1 Federal dollar to 1 State dollar, for a total monthly grant per case of up to $18.00 for the first child and up to $12.00 for each additional child. Federal funds may not be used to supply more than one half the maximum monthly grant per child. State funds must match Federal funds equally and may be in excess of the Federal maximum monthly grant per child.

These programs are administered on the basis of need and only those persons over 65 years of age, dependent children and blind persons, who meet the standards of the state in which they reside are eligible to receive assistance.

METHODS OF ADMINISTRATION OF LOCAL RELIEF

The administration of local relief is usually set up from an organizational standpoint in one of the following ways:

(a) A state board of public welfare appointed by the Governor has jurisdiction over the administration of the direct local relief program and of the administration of the Social Security categorical public assistance programs referred to above. Such state boards usually have an administrator, a secretary or a director whose function

it is to administer the program in accordance with the broad policy decisions of the boards.

(b) In some instances, a board such as the one described above, operates only in connection with the direct relief program and another similar board with an administrator, a director or a secretary administers the social security categorical public assistance programs or one of them.

(c) In some instances, a state board such as is described in (a) above actually assumes responsibility for the administration of the program on a local basis. This is accomplished by establishing offices in the various sections of the state, staffed by employees directly responsible to the board.

(d) In other instances there are city and county boards of public welfare which actually have the responsibility for administering the programs on a local basis and who have directors or secretaries who operate the program under them. In some instances part of the cost of the general relief program is borne by the local agency and part by the state agency. In other instances the total cost of the program is borne by the local agency and such agency is reimbursed on a percentage basis by the state.

(e) In some instances there is a special board or official who has charge of administering relief to veterans and in other instances there is a special board or official that has charge of dependent children programs.

(f) In some states general relief is administered on a cash basis while in other places grocery orders, rent orders and clothing orders instead of cash are given to general relief recipients. In a few areas commodities in addition to surplus commodities rather than either cash or grocery orders are given to relief eligibles. Sometimes within a state there is a variance of the type of relief which is given, i.e., cash in one community, grocery orders in another, etc.

Arrangements have been made to put each regional director on the mailing list of the Social Security Board to receive the Social Security Bulletin. This bulletin contains the figures on number of persons receiving assistance, amounts of money received from the various sources each month and indicates the types of programs in operation in each state.

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
- FOOD STAMP DIVISION -

- TENTATIVE FIELD MANUAL - PART II -

Issued October 1, 1939

NARRATIVE DESCRIPTION OF STEPS TO BE TAKEN BY THE FSCC FIELD AND/OR LOCAL REPRESENTATIVES IN SETTING UP AND OPERATING THE FOOD STAMP PLAN IN A DESIGNATED CITY OR AREA.

I N D E X

A P P E N D I X

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I. FOREWORD

The information contained herein describes the essential steps necessary in establishing and operating the Food Stamp Plan in a designated city or area.

Briefly the steps required in setting up an office are:

1. Arrange for space for Federal Surplus Commodities Corporation office.

2. Prepare draft of Questions and Answers pamphlet.

3. Discuss Food Stamp Plan and the way it is to operate in the city or area, with the heads of the various welfare agencies, and hold meetings with the case work staffs of the various welfare agencies to acquaint them with the program.

4. Assist the Department of Public Welfare (DPW) in arranging for certification of food stamp clients.

5. Arrange with Food Industry Committee to hold meetings with all members or groups of the local food industry.

6. Assist DPW in securing and arranging Food Stamp Office space.

7. Assist DPW in securing and training personnel to operate DPW Food Stamp Office.

8. Assist DPW in preparation of Office Record Cards, Identification Cards, Master Cards, information to clients, etc.

These and other problems are more fully described hereafter; however, it is to be realized that all of the possible problems that may be present cannot be foreseen. Therefore, this outline may be inadequate in some respects or too involved in other respects.

FSCC Representatives responsible for the inauguration of the Food Stamp Plan in a city are expected to have and to use reasonable judgment in the carrying out of the steps herein described.

No deviation should be made in the basic requirements without prior approval from the Regional or Washington Office. Changes in the sequence of steps and methods of approach should be made to fit local conditions.

As the Food Stamp Plan develops, it is expected that the experience gained will result in new or improved methods of operation.

To permit the study of these improved methods and their possible subsequent use, members of the field staff are requested to submit suggestions for new and improved methods to their Regional Office.

These suggestions should be in four parts:

(a) The suggestion.

(b) How it will work.

(c) Why it appears desirable.

(d) Changes it will necessitate in the existing methods.

II. FSCC REPRESENTATIVES OPENING A CITY:

After announcement of the selection of an area and after the Regional Director or the Assistant Regional Director leaves, the Regional Field Representative and the FSCC Local Representative will remain. The Regional Field Representative will be in charge of operations until he leaves, which will be probably from three to six weeks after the date of the announcement or as long as it is necessary for him to remain after the opening date.

During this time the Regional Field Representative should supervise the planning and execution of the FSCC operations in the city. This should be done, however, in such a manner as to place the FSCC Local Representative in the foreground, so that when the Regional Field Representative leaves, the FSCC Local Representative will be acquainted with the various groups and operations.

To assure that the FSCC Local Representative is ready for the responsibility, the Regional Field Representative should turn actual operations over to him as soon as possible, and in any event two to three weeks before the Regional Field Representative leaves.

In view of the fact that the Regional Director or the Assistant Regional Director, the Regional Field Representative and the FSCC Local Representative will be in charge at various stages of the operations, the term "FSCC Local Representative" as used hereafter may refer to the FSCC Field Representative or the FSCC Local Representative, depending upon which one should logically perform the step mentioned.

III. MEMORANDUM OF UNDERSTANDING:

If it is decided to inaugurate the FSCC Food Stamp Plan in the area, a general understanding should be reached between the FSCC and the local welfare agency (also referred to as DPW) concerning the responsibilities and steps to be performed by each.

This memorandum need not be signed by the FSCC and DPW representatives, unless it appears desirable to and agreeable with the DPW.

For your information there is attached a copy of the Memorandum of Understanding that was prepared and used in one of the experimental cities for blue stamps only.

A copy of the memorandum should be furnished to each of the following: FSCC Local Office, DPW Office, FSCC Regional Office and FSCC Washington Office.

Among other uses to which such a record or memorandum can be put are the following:

(1) Prepare announcement that the plan is to open in the city or area.

(2) Prepare draft of Questions and Answers Bulletin.

(3) Inform Regional and Washington FSCC Office of proposed method of operating in city.

(4) Furnish information for preparing signed agreement between FSCC and DPW.

(5) Inform FSCC Local Representative of basis for proceeding.

This memorandum or record always should contain essential information on the following points:

(1) Area to be included.

(2) Kind of stamps to be issued and rate per person per month.

(3) Eligible groups.

(4) Approved Certifying Agency or Agencies.

(5) Method of Issuance.

(6) General statement of facilities, equipment, material and personnel to be furnished by state and/or local DPW and FSCC.

(7) Bonds required.

(8) Representative of state and/or local DPW with whom official business is to be done by FSCC Local Representatives.

(9) Tentative starting date.

(10) Reports and information required.

The final agreement between the FSCC and the DPW will be drawn by the Solicitor's Office. However, pending its completion and execution, the FSCC Field and Local Representative will be guided by the Memorandum of Understanding in proceeding with the inauguration of the Food Stamp Plan in the area.

IV. FSCC REPRESENTATIVES REPORT:

A complete written report of the preliminary survey of the area is to be made immediately to the Regional Office, by the Assistant Regional Director, Field Representative or such other person in charge of or assisting in the preliminary survey as may be requested by the Regional Director. Not less than two copies of the report are to be furnished the Regional Office, one of which is to be transmitted to the Washington Office.

Among other things, the report should set forth the persons and organizations consulted, including representatives of the following:

(1) State and Local Welfare Agencies.

(2) State and Local WPA.

(3) Other Relief Agencies.

(4) County Public Health Service.

(5) Other Federal or State Agencies.

(6) Retail and Wholesale Food Industry.

(7) Chamber of Commerce.

(8) Banks.

(9) Labor Organizations.

(10) Newspapers and Radio Broadcast Stations.

(11) Any other persons or organizations considered pertinent.

A copy of this portion of the report will be kept in the FSCC Local Office for information.

V. FSCC LOCAL OFFICE SPACE, FURNITURE, EQUIPMENT, PERSONNEL, ETC.

Arrangements for o fice space, furniture, etc. for the FSCC Local Representative and his staff will be made by (1) a special FSCC Representative or (2) the FSCC Local Representative.

In regard to all of these matters see "Field Operating Instructions - Administrative Letters 1-7" for details.

Space for Local FSCC Office

The principal points involved are:

(1) See custodians of local Federal Buildings to learn whether sufficient suitable space is available in the Federal Buildings.

(2) If the space is available, information concerning the number of square feet desired and its location in the building should be furnished to the FSCC Washington Office, where a formal request will be initiated.

(3) If the space is not available, a letter so stating should be obtained from the custodian.

(4) Not less than three bids for commercial space are to be obtained on U. S. Standard Form 33, Invitation, Bid and Acceptance (Short Form Contract) and forwarded to FSCC Washington Office through the Regional Office for approval.

(5) Contract for commercial office space must include option of FSCC to cancel on thirty day's notice.

(6) Office space should be within a reasonable distance from the (a) Local DPW Food Stamp Office, (b) Local DPW Administration Office, and (c) Local Post Office or branch.

(7) Space required during the early stages will vary from 500 to 800 square feet, consisting of Local Representative's office; Office Manager's office; work space for two persons, supplies, files and, if necessary, a reception room. In the event an audit unit is to be attached to the office, arrangements should be made to provide space for the audit staff in the same building, though not necessarily on the same floor. 400 square feet should be ample for the audit unit.

Furniture and Equipment for Local FSCC Office

The principal points involved are:

(1) See office managers of local Federal Agencies, particularly the U. S. Department of Agriculture to learn whether sufficient suitable office furniture and equipment surplus to the needs of the local Federal offices is available.

(2) If furniture, etc. is available, information concerning the name of the agency, the name and description of the furniture and equipment, its location and the period for which it may be transferred or loaned should be furnished to the Regional Office, where a formal request may be initiated.

(3) If none, or only a part, of the furniture is available, a letter to the Regional Office so stating should accompany the request of the FSCC Local Representative for the furniture and equipment required. The Regional Office will advise the Washington Office of the basic furniture and equipment requirements and the needs will be promptly filled.

(4) Local Welfare Agencies, county or municipal governments or boards of education, occasionally have surplus furniture and equipment that may be borrowed for the asking.

(5) The office manager or the local representative should keep a permanent record of all borrowed furniture and equipment. If such furniture or equipment is not already marked for identification, it should be so marked by stickers or other means in such a manner as not to deface it. This record and marking is particularly important since the FSCC person borrowing the furniture or equipment may be transferred prior to the time it is returned.

Office Supplies and Forms for Local FSCC Office

Insofar as possible all office supplies will be furnished from the Washington or Regional Office. The initial supply required will be furnished by the Washington Office upon notice that the office has been established. No requisition listing the supplies desired need be prepared in order to obtain this initial order.

Personnel for Local FSCC Office

The essential points in this connection are:

(1) Local office staff will usually consist of FSCC Local Representative; Office Manager; Secretary for Local Representative; Stenographer for Office Manager; Stenographer to receive visitors, incoming telephone calls, issue blue and orange stamp cards and to perform general office work; and an employee of the Economic Analysis Section.

(2) From the time the local office is established until about two weeks after the date the first stamps are issued, an additional stenographer and one messenger may be needed.

(3) Secretary, stenographers, messengers and other employees for the local office to be employed on Local Representative's Letter of Authority, must be selected from an approved list or in accordance with special instructions. These employees may be hired on an hourly basis at a rate of not to exceed fifty cents per hour, for not to exceed thirty

days. If the services of such employees are to be continued in excess of thirty days, a temporary appointment should be requested at least fifteen days before the end of the thirty day period.

(4) Regular office hours should be from 9:00 to 12:00 and 1:00 to 5:00 each day except Saturday, and on Saturday from 9:00 to 1:00.

The office should be kept open to the public during the noon hour.

Variations in the opening and closing hour and the time off at noon may be made, provided the approval of the Regional Office is obtained.

VI. RELATIONS WITH PRESS:

The initial announcement that the area has been chosen will be made only upon express authority from the Regional Office.

The local announcement should be in the form of a typewritten statement issued to all local newspapers. The basic information for the release will be found in the memorandum of understanding. The release should stress the following points:

(1) Area included.

(2) Kind of stamps to be issued or sold.

(3) Rate of issuance per week per person.

(4) Frequency of issuance.

(5) Certifying agency.

(6) Eligible groups.

(7) Approximate number of families receiving some form of public assistance the previous month.

(8) Tentative starting date.

The FSCC Field Representative with the Local Representative should make an appointment and visit with the managing editors of the principal newspapers in the city.

During these visits the broad objectives of the surplus removal program and the food stamp plan should be outlined. Written material concerning the program will be furnished the FSCC Field Representative for this purpose. Copies of the material may be left with the editors for further study, should they so desire.

In the event the editors are not available the reporters assigned to cover the Food Stamp Plan activities should be informed concerning the program at the earliest opportunity.

Most newspapers have a daily or Sunday food page. The editors of these features should be visited also. On these visits the "encouraging domestic consumption" angle of the Surplus Removal Program should be explained and stressed. As the plan progresses material that may be used by the "food" editors will be supplied.

These initial visits with the press representatives should lead to a better understanding by them of the food stamp activities and in turn a more accurate presentation of the Food Stamp Plan to the general public.

A few suggestions concerning releases in local areas are as follows:

(1) Treat each newspaper equally fair.

(2) Furnish newspapers with copies of press releases received from Regional Office or Washington.

(3) Do not make general statements or voice opinions concerning national or local policies of the Surplus Removal Program or the Food Stamp Plan, except on such policies as may have been officially determined upon and already released to the public by the Washington or Regional Office.

(4) Do not release figures concerning the number receiving public assistance. Refer the questioners to the local or state agency, administering the local public assistance program.

(5) Figures on the number of cases by categories that have been certified as eligible to purchase or receive stamps may be released. Such figures should to taken from the Office Record Cards rather than from case count figures of the agencies administering relief. In compiling eligibility figures, cases should be counted by single person families and by families of two or more. If this is done, figures similar to those illustrated can be released:

	Certified As Eligible To Participate	Participating Past Month	Percent Participating
Single person families	2,000	1,000	50%
Two or more person families	8,000	6,000	75%
Total families	10,000	7,000	70%

(At the time such figures are released it should be explained that the plan was primarily designed for families and does not in a great many instances provide benefits for single persons since a number of them do not prepare their own meals.)

(6) Furnish reporters with approved press releases, speeches or information bulletins for information they might request concerning policies, expansion, results, etc. of the Food Stamp Plan.

(7) Avoid stated opinions concerning why so many cases did or did not participate in the plan.

(8) Make no derogatory statements privately or otherwise concerning the old distribution system of surplus commodities.

(9) Advise that there is no statement to make when asked questions concerning information that you may not be permitted to release.

VII. INFORMATION AND EDUCATIONAL WORK:

FSCC Field or Local Representatives are frequently called upon to discuss the Surplus Removal Program and the Food Stamp Plan at meetings of civic organizations such as Chambers of Commerce, Luncheon Clubs, Forums, etc. Wherever possible, such invitations should be accepted. Reference material for use in preparing these talks, as well as suggested addresses already prepared, will be furnished the FSCC Field and Local Representatives from time to time as a part of the Information Series.

The Questions and Answers pamphlet prepared for the area will provide the essential material for short talks. Reading from this pamphlet with a closing period of questions from the group is suggested.

Radio addresses may be made under the sponsorship of Federal, State or Local Government Agencies or of Chambers of Commerce. No addresses should be made over radio programs sponsored by persons or organizations engaged in private or competitive enterprises, i.e., retail or wholesale grocery organizations.

VIII. FOOD INDUSTRY COMMITTEE:

The Regional Director or Assistant Regional Director surveying the area will have met with representatives of the food industry in the area as a part of the survey work. The food industry will have been advised of the desirability of forming a representative Food Industry Committee through which the FSCC Field and/or Local Representative may arrange to supply the food industry in the area with information concerning the Food Stamp Plan.

FSCC Representatives shall take no part in the selection of the individual persons to represent the groups or the determination of the individual groups to be represented on the committee.

Immediately after the Food Industry Committee is formed, the FSCC Field Representative should so advise the Regional Office, including the name, address and group represented by each member of the committee.

The committee should be representative of the food industry in the city or area in which the plan is to be put into operation. From the various sources of information available the FSCC Field Representative should determine and report to the Regional Office whether all groups appear to be represented on the committee. The "Route List of Retail and Wholesale Grocers" published in most cities by a local newspaper will be helpful in learning how the groups are classified in the particular city.

The committee should represent the following groups or as many of them as operate in the area:

1. Retail Grocery Stores

   (a) National Proprietary chains - large chain group not locally owned.

   (b) Local chains - locally owned chain group operating under one management.

   (c) Voluntary chains - retail outlets individually owned by local independents, purchasing however from central warehouse. Retail outlets usually handle the same brands, have uniform window displays, and advertise as a group.

   (d) Co-operative chains - locally and individually owned independent retail outlets, owning and controlling own central wholesale warehouse.

   (e) Company owned and operated stores - usually owned and operated by a local industrial concern principally for the benefit of its employees, making sales, however, to the general public.

   (f) Organized independent - composed of individually owned retail stores, purchasing from no specific wholesale grocer - belongs to city or county independent grocers association.

   (g) Non-organized independent - locally and individually owned independent grocer not in any trade organization; purchasing from no specific wholesale grocer.

2. Wholesale grocer - handles general line of food products. May or may not be locally owned.

3. Wholesale produce - handles poultry, butter, eggs, feed - occasionally a small line of groceries.

4. Wholesale fruits and vegetables - handles fresh fruits and vegetables.

5. Others are wholesale handlers of flour, meats, etc.

The food industry committee has no official connection with the Food Stamp Plan. However, it should be helpful to the FSCC Field and Local Representatives as an advisory body in matters relating to the retail and wholesale grocers and the part they play in the operation of the plan.

The FSCC Local Representative should explain to food merchants that they will be required to supply basic economic and marketing information so that the Corporation will be able to analyze the effects of the programs. It should be clearly understood that this is one of the necessary phases of the Stamp Plan and that cooperation and assistance are requested.

IX. TRADE INSTRUCTIONS AND SUPPLIES:

Read the definition of a "Retail Food Store" in the Secretary's Regulations, also the subsequent administrative interpretations.

It will be necessary to furnish the local food retailers and wholesalers and banks adequate instructions concerning the acceptance of food stamps and submitting them to the FSCC for redemption.

Since the available time is usually short, it will be found more desirable to mail this information to them. The small percent that are missed on the initial mailing list may be expected to call the FSCC office by telephone or in person for their instructions and supplies.

To secure the names of the retail and wholesale food dealers and banks, the following sources will be found helpful in the order named:

(a) Route List of Retail and Wholesale Grocers, usually prepared by a local newspaper. Can be had at no cost to FSCC.

(b) Classified Section of Local Telephone Directory; Shows Retail and Wholesale Grocers and Banks.

(c) List from each local, retail and wholesale food organization or chain, of members of their respective groups.

Names of retail and wholesale food dealers and banks obtained from the above mentioned sources may be considered on the whole as reliable. Persons requesting instructions and supplies, whose names are not obtained from these sources should furnish reasonable assurance

that they are entitled to accept food stamps before receiving the instructions and supplies.

Extreme care should be taken to check the business addresses of the persons to whom trade instructions and supplies are to be sent to assure that those outside the area will not receive them. If retailers outside the area receive the material, they will justly think that they are entitled to accept stamps.

As one of his first steps, the FSCC Field Representative should learn the approximate number of food retailers and wholesalers and banks that are in the city and advise the Regional FSCC Office in order that the Regional Office may prepare and forward the number of copies of trade instructions, etc., required. The approximate number requested should be more rather than less than the actual number that appears needed.

The Regional Office will immediately furnish an adequate supply of 3" x 5" index cards which will be used to prepare individual "Record of Supplies, Materials and Forms Forwarded". While awaiting the Trade Instructions and Supplies the Local FSCC Office Manager will prepare one card for each person to receive instructions and supplies. Only one card need be prepared for chain organizations. However, the card should show the number of stores the chain operates in the city. The Local Central Office of the chain group should receive one set of instructions and supplies for each local store plus five extra sets for the local central office.

These cards are to be filed alphabetically in a card file, with separate sections for each group; i.e., Retail Grocers, Wholesale Grocers, Banks, etc.

The index cards will be used as follows:

(a) Show the name, address, date and material issued for each person or organization to whom the trade instructions and supplies are issued or mailed.

(b) Show the number of the stamp cards issued to each group.

(c) Eliminate duplication of mailing of instructions and supplies to the same person regardless of the number of sources from which names are obtained.

Letter size manila envelopes may also be addressed for each card in the file, while awaiting the trade instructions and supplies, in order that when the material is received it may be mailed without delay.

These instructions and supplies received from the Regional Office should be mailed not less than one week before the date the first stamps are issued. They will consist of the following:

For Retailers:

(a) Letter of Transmittal.

(b) Summary of Secretary's Regulations.

(c) Supply of Food Order Stamp Cards (Secretary's Regulations printed on reverse side of cards). Initial supply should consist of approximately ten cards for orange stamps and/or twenty cards for blue stamps.

(d) Surplus Commodities Bulletin. (List of foods on Surplus Commodity List for the City in question)

(e) Instructions for securing payment of Food Order Stamps.

(f) Supply of Invoice Forms (FSC 460).

For wholesalers and banks (acting as collection agents):

(a) Printed copy of Secretary's Regulations.

(b) Supply of invoice forms (FSC 460).

(c) Surplus Commodities Bulletin.

(d) Instructions for securing payment for food order stamps by banks and food wholesalers.

The FSCC Local Representative should announce through the newspapers that the material has been mailed and should state that those retailers, etc., in the city not receiving the material should so advise the Local FSCC Office.

X. OFFICIAL MAP AND BOUNDARIES OF AREA OR CITY:

The FSCC Local Representative or the Office Manager should immediately secure from the municipal or county government, as the case may be, four copies of an official map of the area or city in which the Food Stamp Plan is to be inaugurated.

A letter should also be obtained from the City or County Clerk, Engineer or other appropriate official, stating that the map does show

the official boundaries of the city or area in question, inasmuch as in some instances, especially in the case of a city, certain areas may have been included within the corporate limits of the city since the available maps were made.

XI. PRELIMINARY REPORT OF NUMBER CASES ELIGIBLE:

The FSCC Field Representative shall secure from the local Welfare Agency, in writing, a reasonably accurate record or estimate of the number of cases in the area or city that are expected to be eligible to participate in the Food Stamp Plan.

This information should show for each category or type of public assistance, the number of cases and number of persons represented. The date of the information, the source or agency from which it is initially obtained and whether the figures are actual or estimated, should be indicated in the letter from the Local Welfare Agency.

In general the categories should be listed as follows, although there may be variations and additions, depending upon the locality:

(a) Cases receiving public assistance in cash or kind (except FSCC Surplus Commodities) from the state or local public Welfare Agency, usually referred to as:

(1) General, Home or Direct Relief.

(2) Veterans' Relief.

(3) Other designations varying with policies of state or local Public Welfare Agency.

(b) Cases receiving public assistance through the Federal Social Security Program. These include:

(1) Old Age Assistance.

(2) Aid to Dependent Children.

(3) Aid to the Blind.

(c) Persons working for the Works Projects Administration at Security Wages. Usually referred to as:

(1) WPA Cases.

(d) Cases (persons or families) receiving no form of relief from a Federal, State or Local Public Welfare Agency, except Surplus Commodities.

This group usually includes:

(1) WPA - AA - Persons certified to work for WPA at Security Wages but who, for one reason or another, have not yet been assigned to a project for actual employment, i.e., WPA cases awaiting assignment, who are also not receiving general relief.

(2) C.O. - Commodity only cases; sometimes also referred to as service cases.

This report should be used by the FSCC Field and Local Representatives as a basis for determining:

(a) Approximate number of copies of question and answer pamphlets needed for distribution to possible stamp plan participants.

(b) Approximate number of copies of Identification Card (Form FSC 463) and Office Record Card (Form FSC 465) needed.

(c) Approximate number of copies required of other material that may be intended for possible stamp plan participants.

XII. REQUEST FOR FSCC FORMS USED BY LOCAL WELFARE AGENCY:

Certain forms used by the local Welfare Agency in the operation of the Food Stamp Plan will be furnished by the FSCC. Included in these forms are the Identification Card, Form FSC 463 and the Office Record Card, Form FSC 465.

As soon as a reasonably accurate estimate of the number of copies needed is made, the FSCC Field or Local Representative should make a formal request in writing for them to the Regional Office.

XIII. QUESTIONS AND ANSWERS PAMPHLET:

The FSCC Field and Local Representatives shall prepare the material to be included in the Questions and Answers Pamphlet.

A copy of such pamphlets used in other cities will be furnished for guidance as to the form and type of material to be included.

The Memorandum of Understanding will be used as a guide as to:

(a) Eligible Groups.

(b) Kind of stamps to be issued or sold.

(c) Period of frequence of issuance or sale.

(d) Method of sale or issuance.

(e) Area in which plan is to operate.

The Regional Office will furnish information upon request concerning the commodities that are or will probably be on the list of surplus commodities for the area.

In the event there is a state or local sales tax on food commodities, whether the commodities exchanged for food stamps will be exempt should be settled and some mention should be included in the Question and Answer Pamphlet.

The Regional Office should approve the final draft before it is printed.

If the Questions and Answers Pamphlets were furnished by the FSCC, they would have to be obtained through the Government Printing Office. Since the time required for this would be too great in most instances, it has therefore been decided that it shall be the responsibility of the state or local Welfare Agency to print and distribute the required number of copies. At the request of the State or Local Welfare Agency, the local Food Industry Committee will usually defray the cost of printing the pamphlets.

The distribution of the pamphlets should be made as follows:

(a) One copy to each probable participant, not less than one week before the date of the first sale or issue. This is usually accomplished by mail by the local Welfare Agency along with other information, requests or questionnaires sent to the possible participants.

In some instances it is practicable to deliver a copy to those already receiving surplus commodities at the same time they call for their commodities at the warehouse. However, in many instances this method is not satisfactory in that the pamphlets are not available in time to make a distribution to the entire caseload, or the number to receive food stamps may include many that have not been receiving surplus commodities.

(b) From one to ten copies to each retail food store.

The food industry committee usually handles the distribution of the Question and Answer Pamphlet to the

Food Industry. The head of each local retail and wholesale food group sends them to each member of the group and the salesmen of the wholesale grocery stores deliver them to those retail food stores not belonging to an organization.

Another effective distribution method is to include one copy with each set of trade instructions and supplies furnished to the retail and wholesale food stores, banks and collection agents.

(c) Several copies should be furnished to each member of the certification or case work staff of the local Welfare Agency.

(d) Fifty copies each to the Regional Office and the Washington Office.

(e) Such other persons or organizations as may be desirable.

Considerable care should be taken to make the Questions and Answers Pamphlet adequate, clear and concise, since the real foundation of the conception of the program in the area or city is built on the information contained in the pamphlet.

XIV. LOCAL BANKS AND CLEARING HOUSE ASSOCIATION:

The Regional Director or Assistant Regional Director and Field Representative will have consulted with the representatives of one or more banks in the area. As a result, the FSCC Field and Local Representatives will be familiar with names of the banks and their representatives, as well as the extent to which they will participate in the Food Stamp Plan by acting as Collection Agents for the retailers.

The FSCC Field and Local Representatives should visit with all the necessary bank representatives and explain the plan as a whole and in particular the details of the bank's participation as collection agents.

If agreeable to the banks, a statement, usually in the name of the local bank clearing house association, should be given to the press to assure the less well informed members of the local food industry that the stamps will be redeemed and the conditions under which they will be accepted.

In this connection most banks prefer:

(a) That the food stamp cards be listed on a deposit slip, separate from the deposit slip listing the cash and checks deposited.

(b) That chains or other retailers depositing a large number of stamp cards, complete the heading and list the stamp cards and amounts on the body of the Invoice Form. The bank completes the certification after checking the listings.

XV. DEPOSITORY FOR FUNDS COLLECTED FROM SALE OF ORANGE STAMPS:

When orange stamps are sold by the local Welfare Agency, it will be necessary for the FSCC Local Representative to receive payment for them from the revolving fund at the time the orange stamps are delivered to the authorized representative of the local Welfare Agency.

The funds so collected by the FSCC Local Representative will be collected by him as an agent for the Disbursing Office of the U. S. Treasury.

These funds will be deposited in a depository for U. S. Treasury funds in the manner directed by the Chief Disbursing Officer of the U. S. Treasury or his authorized representative.

For all areas in which orange stamps are to be sold the Chief Disbursing Officer will furnish a complete procedure and instructions.

XVI. MEETING WITH RETAIL AND WHOLESALE FOOD MERCHANTS:

The FSCC Field Representative should advise the members of the local food trade that he and the FSCC Local Representative are available to meet with and explain the operation of the Food Stamp Plan to the various groups and organizations engaged in the retail or wholesale food business.

It is suggested that these meetings be with each group separately rather than together, inasmuch as in some instances there may be dormant or active friction between some of the individuals or groups. However, should the FSCC Field Representative and the Food Industry Committee consider it desirable and feasible, one general meeting of all the groups may be held.

In the case of chains with a large number of local stores, it has been found effective to meet with each chain group separately also.

The use of the Questions and Answers Pamphlet has been found very satisfactory at these meetings since the introduction in the Pamphlet sets forth certain basic principles of the surplus removal programs and the questions and answers explain how the food stamp plan will operate in the area.

The following procedure for these meetings is suggested:

(a) Meeting called to order by head of group.

(b) After statement of purposes of the meeting and introductions, Questions and Answers Bulletin given to each person present.

(c) Head of group reads aloud to group the entire Questions and Answers Bulletin. After each answer or Group of related answers, persons in attendance are permitted to ask for additional explanations, which are supplied by Field or Local Representative.

If the questions from floor are same as those which the reader has not yet read, then FSCC Field or Local Representative can say the question and answer will be read later.

It is suggested that questions be permitted from the floor as the reading progresses, since it has been found that the group is sometimes reluctant to ask questions freely if delayed too long.

(d) At the end of the reading the FSCC Local Representative takes the chair and explains in more detail phases that do not seem clear to the audience, also invites further questions from the floor.

The FSCC Local Representative should at this time point out that the Corporation will make economic and marketing studies of the operations, and that the wholesale and retail trade will be called upon to supply basic information on sales of surplus commodities.

(e) The FSCC Local Representative turns chair back to head of group, who closes and dismisses the group.

In some instances the head of the group may desire to have a notice in the press that the meeting is to take place, also after the meeting advise the press of any resolutions passed by the group. In all such instances the information to the press should be released by the head of the group rather than by the FSCC Field or Local Representative.

The FSCC Field and Local Representatives should be especially careful to refrain from any word or actions that might be interpreted as favoring a particular person, group or organization.

It is also important that the FSCC Field or Local Representative meet with the wholesale food group. At such meetings it should be stressed that the salesman or the representatives of the wholesale food distributors can be of considerable service to those merchants that belong to no organized group by explaining the food stamp plan to them on their regular visits.

To this end it should be suggested that each wholesaler hold a meeting of his salesmen who operate in the local food stamp plan area. The head of the wholesale group, assisted by the FSCC Field or Local Representative, if requested, should read the Questions and Answers Pamphlet to the salesmen, explain the Food Stamp Plan, with especial emphasis on how the food stamps will be presented for redemption.

XVII. MEETINGS WITH STAFFS OF LOCAL WELFARE AGENCIES:

As soon as possible after the area has been announced as selected the FSCC Field Representative should direct the attention of the heads of the local agencies to the importance of having the local staffs familiar with the food stamp program.

This is particularly important since the intake office, the case visitors, and the local surplus commodity distribution staff represent points of personal contact with the expected participants.

The families receiving public assistance will look to the welfare agency for information concerning the plan.

The head of the local welfare agency or agencies will usually suggest that the FSCC Field Representative address certain divisions of the welfare agencies' staff. At such meetings the reading and explanation of the Questions and Answers Bulletin should be the first order of business.

Care should be taken in these meetings to point out that the food stamps are intended to supplement and not take the place of any form of assistance the case might now or may hereafter receive.

Other points that should be made are:

(a) Commodities are placed on the list because they are deemed to be a surplus, rather than primarily primarily because they may be needed by the relief families.

(b) Foods on the surplus list are usually those having an elastic demand and having the health protective and body building materials that the average relief family does not or is not able to supply itself on its meager income.

(c) The responsibility of the case visitors in furnishing accurate current information concerning the change in status of the cases.

XVIII. ORDERING STAMPS:

As soon as possible, but in any event not less than ten days before the date the first stamps are to be sold or issued, the FSCC Field or Local Representative should advise the Regional Office of the number of

books of each series expected to be needed during the first month.

The kind of stamps to be issued or sold, the frequency of issuance, the number of families and the size of the families should be considered in determining the estimate of the stamps required. Later requests may be based on the actual records of the local Food Stamp Office.

From time to time as the program progresses, the FSCC Local Representative will initiate requests for food stamps needed on Form FSC 467. These requests should be forwarded not less than two weeks prior to the date the stamps will be needed.

It is suggested that an extra supply of food stamps, sufficient for the needs of one month, be kept on hand at all times.

When a supply of stamps is needed, they should be ordered by preparing "Food Order Stamp Request - Form FSC 467" in quadruplicate (original and three copies). Food Stamp Requests should be distributed as follows:

(a) Original and two signed copies by fastest mail to the Regional Office. (The Regional Office will check the request and, if it is approved, forward the original to the FSCC Treasurer and one copy to the Washington Office.)

(b) One copy should be filed for checking purposes.

When stamps are received they should be checked against the Food Order Stamp Request and Form M-113 should be prepared. In this connection refer to the fiscal procedure furnished by Mr. Guy F. Allen, Chief Disbursing Officer.

XIX. SAFEKEEPING OF FOOD ORDER STAMPS:

Food order stamps will be shipped by the FSCC to the FSCC Local Representative via registered mail in packages containing either 500 or 1000 food order stamp books.

Inasmuch as it is usually not practical to effect immediate delivery of the stamps from the FSCC Local Representative to the local welfare agency, it is necessary that adequate, safe storage space be secured by the FSCC Local Representative for the stamps. They are then issued as needed to the local welfare agency in unbroken package lots.

Local post offices are in most instances agreeable to keeping the stamps at the post office and making delivery to the FSCC Local Representative in unbroken package lots as needed. It is necessary, however, that the FSCC Field or Local Representative consult with the local postmaster or other appropriate representative of the local post office and complete the arrangements for the post office to store and issue the food stamps as outlined above. Approximately 15 to 20 cubic feet are required.

This agreement with the local post office should be made as soon as possible after the selection of the city has been announced. Advice that a successful agreement has been reached should be forwarded by the FSCC Field or Local Representative to the Regional Office before any food stamps are shipped to the FSCC Local Representative.

In the event the local post office is not agreeable to furnishing storage space, such space may be secured at a local bank or a portable safe may be rented. However, the Regional Office should first be advised and additional instructions received before the FSCC Field or Local Representative proceeds further in arranging for storage space.

XX. FINAL AGREEMENT BETWEEN FSCC AND LOCAL WELFARE AGENCY:

While the FSCC Field and Local Representatives are proceeding with their work in the city, the Office of the Solicitor will have been drafting the agreement between the FSCC and the local welfare agency.

This agreement will be sent to the FSCC Field Representative, who will attend to having it executed by the proper representatives of the local welfare agency. The agreement should be signed locally and returned to the FSCC before any food order stamps are turned over to the local welfare agency.

XXI. ISSUING FOOD STAMPS TO LOCAL WELFARE AGENCY:

The essential points are:

(a) Orange stamps issued to the local agency must be paid for in full by certified check, at the time of delivery. In addition, a receipt, showing quantity of books, series, serial number and value of stamps delivered, must be prepared and signed by the representative of the FSCC and the local welfare agency issuing officer.

(b) Signed receipts must be obtained by the FSCC Local Representative from the authorized representative of the local welfare agency at the time of delivery for all blue stamps issued to the local welfare agency.

(c) Immediate reports on Form M-113 must be made of stamps issued to the agency.

(d) Funds received for orange stamps must be deposited immediately in the depository approved by Mr. Guy F. Allen, Chief Disbursing Officer, and in accordance with the instructions prepared by his office.

(e) The local welfare agency becomes responsible for all stamps received from FSCC at time of delivery.

(f) Stamps are to be issued and delivered to the local welfare agency in unbroken package lots.

(g) Place of delivery is to be the Registry Window of the local post office or from the FSCC stamp storage space being used.

XXII. INTERPRETATIONS OF SECRETARY'S REGULATIONS:

From time to time as interpretations of the Secretary's Regulations appear needed and desirable, the Solicitor's Office will issue formal opinions on the matter in question. These opinions will be embodied in an administrative letter and furnished to the FSCC Field and Local Representatives in the form of an "Administrative Interpretation".

Each Administrative Interpretation will have only one subject and will be identified by an individual number. For administrative and operation purposes, the Administrative Interpretations are to be attached to and become a part of the Secretary's Regulations.

The FSCC Local Representative is expected to become familiar with the contents of the Secretary's Regula tions and subsequent Administrative Interpretations. He is also expected to make decisions locally on minor questions regarding their meaning and intent so long as he feels that the Secretary's Regulations and Administrative Interpretations provide a clear and reasonable basis for his decision. Nothing in these instructions or elsewhere is intended to permit any employee to operate the food order stamp plan contrary to the Secretary's Regulations or the Administrative Interpretations thereof. In the case of any doubt, the FSCC Local Representative shall explain the problem to the Regional Office and await written instructions before proceeding.

XXIII. INTERPRETATION OF SURPLUS COMMODITIES BULLETINS:

In some instances there is a tendency on the part of the local food industry to want to include commodities which are related to those commodities specifically listed; commodities indigenous to the area but not necessarily the same as those listed; or commodities processed in whole or in part from those listed.

When these situations arise and there is any doubt whatever in the mind of the Local Representative as to whether blue food order stamps may be accepted for the foods in question, he should advise the retailer not to accept food stamps pending clarification of the problem.

The FSCC Local Representative will then explain the matter fully to the Regional Office and await written advice from the Regional Office as to the decision that has been reached. When such advice is received the Local Representative will immediately inform the retailer and impress upon him the necessity for being governed accordingly in accepting blue stamps.

XXIV. EXTENDING AREA:

The specific area in which the food order stamp plan is to be operative locally will be designated by the President of the FSCC, although the announcement by the Secretary will refer in general to the area to be included.

In some instances to prevent discrimination against retail food merchants and/or the persons to whom food stamps are issued, it may be desirable and necessary to extend the designated area.

Such requests usually come from the food retailer. Only areas immediately adjacent to the originally designated area should be considered.

The procedure for handling and disposing of these requests is outlined as follows:

(a) Discuss problem with interested person or groups and advise that no food stamps should be accepted by them until the matter is settled.

(b) Request a written communication from them setting forth their request. This request should include, for each retailer in question:

(1) Name and street address of food retailer.

(2) Statement as to approximate average gross business in dollars done by establishment during one month.

(3) Statement as to number of families known to be receiving food order stamps that are regular customers of the establishment.

(4) Names and addresses of ten or more such families.

(c) Upon receipt of the communication, the FSCC Local Representative should make a personal visit to the store and check with the local Food Stamp Office concerning the recipients of food stamps mentioned.

(d) In instances that appear doubtful the local Food Industry Committee should be asked for their recommendation.

(e) A copy of the complete file on the subject, including the request, results of Local Representative's investigation, recommendation of Local Representative and the Food Industry Committee, as well as the FSCC

Local Representative's proposed announcement of the extended boundaries of the area if his recommendation is favorable, shall be sent to the Regional Office for review and instructions before any further action is taken.

(f) The final decision made by the Regional Office is to be made known in writing by the FSCC Local Representative to each of the persons making a written request.

Recommendations for the extension of the original area should be made only when it appears that discrimination has or will prevail.

XXV. COMPLAINTS AND INVESTIGATIONS:

Care should be taken when addressing retail food groups to point out that they are expected to comply strictly with the Secretary's Regulations both as to the letter and to the intent.

The extreme penalty of fine and imprisonment that may be imposed should be pointed out also but should not be unduly stressed. More emphasis should be placed on the publicity, loss of food stamps and cash business that could result if the food stamps are not redeemed for a particular retail food store because of failure to operate in accordance with the regulations.

In instances where complaints of infraction of the regulations are received the following is suggested as a general guide:

A. Secure name and address of person or establishment against whom the complaint is made.

B. Secure name and address of person reporting the instance.

C. Secure statement of nature of the complaint and time and date of transactions.

D. Secure names and addresses of other persons involved or who may have specific or general knowledge bearing on the subject.

E. If a member of the food industry is involved, check index card file to determine whether proper instructions and supplies were mailed to him.

F. If it appears that a clear violation is involved, a preliminary report should be made to the Regional Office and a request that an investigator be assigned to the case, or a request for further instructions.

G. If a clear violation does not seem to be involved, a preliminary report to the Regional Office should be

made and the following steps may be taken:

(1) Interview all the persons that appear to be involved from the standpoint of securing information to verify or alter the preliminary report.

(2) If a food retailer is involved:

(a) Call in person at his place of business and learn from him whether he has received and understands the instructions and regulations.

(b) Furnish him with a complete set of instructions and offer to explain them to him.

(c) Unless it appears inappropriate, discuss the complaint with him. However, be careful not to divulge the source of the information to him, if it can be avoided.

(d) Make a final written report and recommendation to the Regional Office.

(e) The Regional Office may either accept the report and advise that the case may be considered closed or it may send a special representative to look into the case. In the latter event, the FSCC Local Representative will lend every assistance possible to and be further advised by the special representative.

Especial care should be taken by the FSCC Local or other representatives to refrain from making public the names of any persons or organizations involved in alleged complaints, unless otherwise directed by the Regional Office.

XXVI. CORRESPONDENCE PROCEDURE:

All correspondence should be prepared in accordance with instructions contained in the Department of Agriculture Correspondence Manual.

Letters and telegrams should be addressed to the Regional Director. Only in special or emergency instances should field representatives communicate direct with the Washington Office and in such instances appro-

priate copies should be furnished the Regional Director.

(a) Letters to Regional Director: Original and four copies will be prepared. Two copies will always accompany original (stapled) and two will be retained in the office files.

(b) Letters to other than Regional Director: Original and four copies. The original will be transmitted to the addressee; two copies will be transmitted to the Regional Director immediately; and two copies will be retained for the files. If letter is addressed to Washington office two additional copies should be prepared and transmitted with the original.

For the present and until further notice field representatives should forward to the Washington office one copy of all correspondence dealing with:

(a) Matters of policy.

(b) Administrative interpretations of the Regulations.

(c) Matters involving some deviation from the operating practices so far established.

(d) Important relationships with local welfare or governmental officials.

Telegrams:

(a) To Regional Director: Prepare original and four copies. The original and first copy will be prepared on telegraph blanks, the three remaining copies on onion skin. The first copy (telegram blank) and one additional copy will be marked "Confirmation" and mailed immediately. The other copies will be retained in the office files.

(b) Other than Regional Director: Preparation will be the same as above except two extra copies should be made for transmittal to the Regional Director.

XXVII. ECONOMIC SURVEY:

The estimate of office space required for the Local FSCC Office includes space for one member of the field staff of the Economic Analysis Section. Unless otherwise advised, the Economic Analysis Section will conduct a field study in each city or area.

This study, among other things, is intended to secure information for determining the extent of the movement of the surplus commodities in the area.

Reports submitted by the local staff member of the Economic Analysis Section will be transmitted over the signature of the FSCC Local Represen-

tative. The local staff member of the Economic Analysis Section will be under the supervision of the Chief of that Section but administratively responsible to the FSCC Local Representative.

XXVIII. REPORTS:

During the operation of the plan the FSCC Local Representative will make the following reports:

(1) Daily or semi-monthly wire reports.

(a) Daily for first full calendar month.

(b) Semi-monthly after first full calendar month.

(2) Participation Reports (Forms FSC 464 and FSC 464A).

(a) 15th and last day of month for semi-monthly participants.

(b) Last day of month for monthly participants.

(3) Semi-monthly report of stamps issued (Form FSC 462).

(4) All fiscal and daily reports required by the Treasury Department.

Complete instructions covering the preparation of the above reports are contained in General Memoranda Nos. 1, 2 and 4, and in procedure furnished by the Treasury Department. Local FSCC Representatives should arrange with the authorized local welfare agency to be furnished with the current essential information needed to prepare the above reports.

(Sample Memorandum of Understanding in Blue Stamp Only City)

Resume of Discussion between F.S.C.C., D.P.W. and W.P.A.
Regarding Operation of Stamp Plan

(Name of City and State)
July 7, 1939

The food stamp plan will be put into operation within the city limits of (City) . If it becomes evident that certain retail establishments, areas, or small communities are discriminated against, by virtue of these limitations, subsequent exceptions may be made.

Blue stamps only will be issued and at a rate of 50¢ a week per person.

All persons who are certified as eligible for public assistance, including W.P.A. workers, will be permitted to participate.

These persons are classified in groups as follows:

(a) OAA - Old Age Assistance.
(b) ADC - Aid to Dependent Children.
(c) AB - Aid to the Blind
(d) MPH - Mentally and Physically Handicapped.
(e) SER - Service Cases (receive surplus commodities but no cash).
(f) TA - Temporary Aid (receive financial aid occasionally).
(g) WPA-un-WPA unassigned (cases certified to WPA by DPW - but not yet assigned to WPA project).
(h) WPA - Security Wage earners actually assigned to WPA projects by WPA.

(DPW will be responsible for determination of which families in the above mentioned groups may receive food stamps.

This will include the preparation of individual identification cards, office record cards, and such other forms as required.

Certification lists of persons eligible shall be kept currently accurate by DPW including new cases, cancelled cases, changes in address and change in Status).

The County and State DPW will enter into an agreement with the F.S.C.C. as to the manner of handling the Blue Stamps and will agree not to reduce the amount to aid extended in any instance unless circumstances unrelated to the Stamp Plan warrant it.

F.S.C.C. will maintain an office in (City) during the experimental period and will make available business management experts to assist in setting up the mechanics and procedure for distributing the stamps, as well

as local representatives in charge for F.S.C.C.

A central office for the maintenance of records, return of books and mailing of stamps will be set up by DPW.

WPA distribution project will be utilized in connection with the Stamp Plan, and part of the present WPA distribution project personnel will be available as clerical personnel for handling food stamps.

Stamps will be mailed, together with checks, by DPW to all persons receiving financial assistance from DPW after such persons desiring food stamps, request them in writing.

An effort will be made by F.S.C.C. to get the franking privileges for mailing books to:

(a) WPA workers.
(b) Those awaiting assignment to WPA.
(c) Those receiving no financial aid but who are receiving surplus commodities.

Mailing of the books will be done after requests have been received from the eligible persons. They will be mailed at the central office by the WPA Commodity Distribution Project Staff.

F.S.C.C. will compose a Questions and Answers Bulletin which will be printed at the expense of Grocers or DPW. This Bulletin, which will explain the operation of the food stamp plan in ____(City)____, will be mailed to eligible persons and grocers by DPW at expense of DPW.

The State Department of Public Welfare will furnish representatives of the State Department to work with and assist the ____(County)____ Department of Public Welfare and the Federal Surplus Commodities Corporation in putting the plan into operation.

DPW will furnish F.S.C.C. reports as required to enable F.S.C.C. to analyze the operations and effects of the food stamp plan in ____(City)____.

Every effort will be made to put the plan into operation by August 1st.

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
- FOOD STAMP DIVISION -

- TENTATIVE FIELD MANUAL - PART III -
Issued October 1, 1939

NARRATIVE DESCRIPTION OF STEPS TO BE TAKEN BY LOCAL WELFARE AGENCY IN SETTING UP AND OPERATING THE FOOD STAMP PLAN IN A DESIGNATED CITY OR AREA.

I N D E X

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
- FOOD STAMP DIVISION -

- TENTATIVE FIELD MANUAL - PART III -
Issued October 1, 1939

NARRATIVE DESCRIPTION OF STEPS TO BE TAKEN BY LOCAL WELFARE AGENCY IN SETTING UP AND OPERATING THE FOOD STAMP PLAN IN A DESIGNATED CITY OR AREA.

I. RESPONSIBILITY OF STATE OR LOCAL WELFARE AGENCY:

It is the responsibility of the appropriate Welfare Agency to (1) determine the individual cases that are eligible to receive or purchase food order stamps; (2) issue or sell the food order stamps; (3) account for all food stamps handled and furnish such reports as may be required; and (4) perform such other general or specific functions as may be set forth in the agreement between the FSCC and the Welfare Agency.

II. SPACE REQUIRED BY LOCAL FOOD STAMP ISSUING OFFICE:

The Food Stamp Office of the Local Welfare Agency should be centrally located and within a reasonable distance from the main office of the Local Welfare Agency.

The building should have separate means of ingress and egress, be clean, well-lighted, adequately ventilated, and heated. Space that can be most easily converted into a Department of Public Welfare (DPW) Food Stamp Office is as follows:

(a) The first floor of any building having a large open area, with a good substantial floor and at least one large entrance and one large exit.

(1) An old bank building with the cages and equipment in place.

(2) An automobile sales and service building containing administrative offices and a large amount of open floor space.

The number of eligibles that are scheduled to call at the DPW Food Stamp Office in one day's time is an additional factor which must be considered in arriving at the amount of floor space required. It has been found impractical to have all eligibles call for stamps within two or three days' time, since this tends to increase overhead as well as initial construction costs. For a suggested method of staggering an antic-

ipated case load of 10,000 eligibles and the area required, see appendix to Part III of Field Manual.

III. ISSUING OFFICER:

The local Welfare Agency shall appoint an Issuing Officer with authority to act as agent for the local Welfare Agency in requesting, receiving, issuing or selling and reporting of Food Order Stamps.

The FSCC Local Representative shall be notified in writing of the appointment by the head of the local Welfare Agency. The notice shall include the name of the person designated and a statement of the authority vested in this agent.

Three samples of the signature of the Issuing Officer shall also be furnished with this notice, on the forms provided by the FSCC.

IV. BONDS REQUIRED:

Employees of the local Welfare Agency actually engaged in selling orange stamps or issuing blue stamps only, whether by mail or at the food stamp office should be bonded in favor of local Welfare Agency. It is particularly important that the Issuing Officer be bonded and it is contemplated that the FSCC will require that such a bond be made.

V. PERSONNEL REQUIRED FOR FOOD STAMP OFFICE OF LOCAL WELFARE AGENCY:

The issuing officer and the cashiers should be full time non-relief employees of the local Welfare Agency. Other employees in the food stamp office may be full time non-relief, full or part time relief workers paid by local Welfare Agency or Security Wage Workers on the WPA Commodity Distribution Project sponsored by the state or local Welfare Agency.

If WPA project workers are to be used, a representative of the state or local Welfare Agency should discuss the problem with the state and local WPA representatives and make plans ahead of time concerning the number of persons needed and the dates they will be needed. This is particularly important since during the period the master cards, office record cards, identification cards and other preliminary records are being prepared, extra personnel is needed.

In this connection it is suggested that the FSCC Local Representative, the head of the local Welfare Agency, the issuing officer for the Welfare Agency, the proper WPA representatives and such others as may be required, meet at the beginning and plan the preliminary steps, then meet occasionally from time to time to co-ordinate their activities.

See also "Suggested Table for Determining Personnel Requirements," in Appendix to Part III of Field Manual.

VI. CERTIFICATION:

In some instances the local Public Welfare Agency acts as the

central intake, investigation and referral agency for all local agencies administering Federal, State, County, City or Town public assistance programs. In other instances the local Public Welfare Agency performs such services for some but not all of the public assistance agencies in the area.

In any case, it is felt desirable to have all the certifications for eligibility to receive FSCC Food Stamps made in the name of the local Public Welfare Agency that has entered into an agreement with the FSCC. Certifications of other Welfare Agencies from which the approved local Welfare Agency is willing to accept referrals may be routed through the intake division of the approved local Welfare Agency or transmitted directly from the referring Welfare Agency to the Food Stamp Office of the approved local Welfare Agency.

Each certification should be on an individual form rather than on a list. The standard individual form of certification already in use by the various certification agencies may be utilized provided:

(a) One legible copy is furnished to the Food Stamp Office of the approved Local Welfare Agency.

(b) The form shows for the case: eligible's name, residence address, number in the family, type and amount of public assistance, indication that food order stamps are to be issued, and the name of the representative of the agency executing the certification form.

To facilitate preparation of identification cards, office record cards and master cards for each case certified, at least ninety percent of the certifications should be furnished to the Food Stamp Office of the Local Welfare Agency not less than ten days before the first stamps are to be sold or issued.

VII. CANCELLATION OF ELIGIBILITY AND CHANGE OF ADDRESS:

The agency or agencies certifying cases to receive or purchase food stamps will be expected to furnish current notice on an individual form of the (1) cancellation of eligibility of case (2) change in address and (3) change in the number of persons in the food stamp eligible's family.

VIII. VOLUNTARY PARTICIPATION:

Participation shall be voluntary and the appearance of the food stamp eligible at the Food Stamp Office to purchase orange stamps or to receive blue stamps and/or the signed request of the food stamp eligible that blue stamps be mailed to him (when blue stamps only are to be issued by mail) should be considered as evidence of the voluntary desire of the food stamp eligible to participate.

IX. REVIEW OF CERTIFIED CASES:

After the plan has been in operation for two months it will be

the responsibility of each certifying agency to review all certified cases which have not participated. Such review will determine whether or not the certified case is still eligible to participate and if so, the case should be notified of his continued eligibility, the benefits of the plan again called to his attention, and the steps he should take to participate pointed out.

X. MASTER CARD FILE:

A master card (3" x 5" or 5" x 8") shall be prepared on each case certified and filed alphabetically without regard to type of case in a separate file maintained by the Food Stamp Office of the Local Welfare Agency. The master card should contain: (1) name of eligible (2) residence address (3) identification card number and case number (4) type of case. These cards will be used to detect duplicate certifications and to furnish essential information if the Office Record card is lost or misplaced. The master cards are to be furnished by the Local Welfare Agency.

XI. OFFICE RECORD CARD:

An office record card shall be prepared in the Food Stamp Office of the Local Welfare Agency for each food stamp eligible as soon as the certification has been received from the Welfare Agency and a check of the master card file shows that the case is not already certified as eligible to receive or purchase food stamps.

The required number of office record cards will be furnished by the FSCC.

The essential information that is to be shown on the office record card is as follows:

(a) Name of Food Stamp eligible.

(b) Residence address.

(c) Number of persons in family.

(d) Type of case.

(e) Identification Card Number.

(f) Period of Issuance or Purchase.

(g) Minimum and maximum amount of orange stamps to be sold or blue stamps to be issued each purchase or issuance period.

(h) Name of certifying agency.

The office record card should be filed by type of case and numerically by identification card number.

The Office Record Card is the permanent record of the Food Stamp eligibles' participation in the Food Stamp program. It will also support the disposition made of each food order stamp book by the local Welfare Agency. It is the property of the FSCC and subject to audit by the Audit Section of the FSCC and too much emphasis cannot be placed on the importance of accurate entries being made thereon and guarding against its possible loss or misplacement.

XII. IDENTIFICATION CARD:

An identification card form FSC-463 must be issued to each Food Stamp eligible and shall be prepared from the information contained on the office record cards. Identification cards will be furnished by the FSCC.

For those Food Stamp eligibles coming to the Food Stamp office for orange or blue stamps, the identification card should be mailed or delivered to the Food Stamp eligible by the Food Stamp office of the local Welfare Agency before he appears at the Food Stamp office to make his first purchase.

For those Food Stamp eligibles that receive blue stamps only by mail, the identification card should be included in the envelope with their first book of stamps.

XIII. LOST IDENTIFICATION CARD:

In the event the food stamp eligible loses his identification card, another may be furnished him by the Food Stamp office of the local Welfare Agency after the Food Stamp eligible has executed a certificate of lost identification card, Form FSC-471. A supply of this form will be furnished by the FSCC.

XIV. RETURN OF STAMP BOOK COVER:

Empty stamp book covers must be returned to the Food Stamp office of the local Welfare Agency in order to insure continued sale or issuance of stamp books.

Empty covers of food stamp books received the first participation period must be returned before stamps may be issued or sold for the third period. Empty book covers for stamp books received for the second period must be returned before the food stamp eligible may receive additional stamps for the fourth period, etc.

XV. LOST STAMP BOOK COVER:

In the event the eligible is unable to return an empty stamp book cover because it has been lost or misplaced he must execute a Lost Stamp Book Cover Affidavit, Form FSC-469 before additional stamp books may be issued or sold to him. Form FSC-469 will be furnished by the FSCC.

XVI. CLEARANCE MEMORANDUM:

When orange stamps are sold or blue stamps only are delivered at the Food Stamp office of the local Welfare Agency, a Clearance Memorandum is to be used for each sale or delivery.

This clearance memorandum should be designed to meet local requirements and contain the following basic information:

(a) Date.

(b) Name and/or identification card number of eligible.

(c) Total value of orange stamps to be sold or blue stamps only to be issued.

(d) Initials of persons handling the transaction.

A sample copy of such a memorandum will be furnished by the FSCC for use by the Local Welfare Agency in obtaining the required number of copies.

XVII. DISTRIBUTION LIST:

In instances in which blue stamps only are mailed to the food stamp eligibles, a Distribution List containing names of from twenty to forty eligibles will be used in lieu of the clearance memoranda. A sample copy of such distribution lists will be furnished by the FSCC for use by the Local Welfare Agency in obtaining the required number of copies.

XVIII. SELLING ORANGE STAMPS AT LOCAL FOOD STAMP OFFICE.

The routine and duties of certain employees in selling orange stamps at the local Food Stamp Office to Food Stamp eligibles are as follows:

FILE CLERK

1. Receives identification card and empty stamp book covers from Food Stamp eligible.

2. Removes corresponding office record card from file.

3. Determines by oral questions that the person presenting the identification card is the person whose name appears thereon.

4. Determines from office record cards that sufficient empty stamp book covers have been returned.

5. Informs the participant the quantity of stamps it is permissible for him or her to purchase.

6. Determines by oral question that the client has the cash with which to purchase stamps.

7. Prepares clearance memorandum (order on cashier).

8. Instructs client to go to cashier's window and pay money.

9. Transmits office record card and identification card, together with clearance memorandum to cashier.

CASHIER

1. Receives identification card, office record card, and clearance memorandum from file clerk.

2. Requests of relief client the amount of money shown on the clearance memorandum.

3. Receives cash from client.

4. Returns identification card to client.

5. Selects proper quantity of stamp books and clips same to office record card.

6. Notes on reverse side of clearance memorandum serial numbers of books selected and files clearance memorandum.

7. Passes stamp books and office record card to book clerk.

BOOK CLERK

1. Receives stamp books and office record card from cashier.

2. Receives identification card from client.

3. Enters book numbers on office record card.

4. Enters date, amount of stamps by dollar value and initials identification card.

5. Returns identification card and stamp books to client.

6. Files office record card by relief category.

7. At close of business each day totals by type of case number of unduplicated participants and value of stamp books issued.

8. Balances entries made on office record cards with cashier's report of stamp books issued.

ADJUSTERS

The adjusters' duties do not lend themselves to adequate written description. In the main the work of the adjusters consists of handling any and all complaints, and other matters such as requests for reducing the minimum, requests for increasing the maximum, changes in family situations, etc.

Certain situations may arise under the above system particularly that which occurs when someone other than the certified eligible calls at the Food Stamp Office to secure stamps in behalf of the certified eligible. When this occurs it is necessary for the file clerk to have such person sign an affidavit to the effect that he or she has been authorized by the certified eligible to purchase stamps for the certified eligible. When such affidavit is executed stamps may be sold on this occasion but at the same time the file clerk will furnish such person with an Authorization of Agent Form FSC-472 and instruct said person to the effect that the certified eligible must use this form in designating an agent before his stamps can again be sold to anyone but the certified eligible.

See also "Layout of DPW Food Stamp Office" in Appendix attached hereto.

XIX. DELIVERING BLUE STAMPS AT LOCAL FOOD STAMP OFFICE:

The routine for delivering blue stamps only should follow the procedure as outlined for the selling of orange stamps except that it is not necessary to question the eligible as to how many stamps he wishes to purchase (the amount of blue stamps he will be issued has already been determined) and whether he has adequate funds to purchase such an amount (no funds are necessary).

XX. MAILING BLUE STAMPS ONLY:

The routine and duties in connection with issuing blue stamps only to food stamp eligibles by mail is as follows:

FILE CLERK

1. Pull, in alphabetical order by types of cases, office record card of food stamp eligibles who have returned sufficient empty food stamp book covers.

DISTRIBUTION LIST CLERKS

1. Type name, address, identification card number, number in family and value of blue stamps to be issued on distribution list.

2. Address envelope for each office record card.

3. Check distribution list and envelopes against office record cards for accuracy.

4. Show for each sheet by series, the number of stamp books required and the total value thereof.

CASHIER

1. Select by series the number of stamp books required for each distribution list sheet.

2. Show in indelible pencil, name, identification card number and type of case on each stamp book.

3. Enter on distribution list serial number of each stamp book to be issued to each food stamp eligible.

4. Check accuracy of entries on stamp books and serial numbers shown on distribution list at time stamp books are placed in proper preaddressed envelopes.

5. At close of each day's business, balance total stamp books issued by series and total value as shown on distribution list with books issued by series and value as shown by physical inventory of books on hand.

6. Seal envelopes and mail.

XXI. REGULAR REPORTS REQUIRED BY FSCC:

For those cases purchasing or receiving food stamps on a semi-monthly basis the FSCC will require semi-monthly (period) reports.

For those cases purchasing or receiving food stamps on a monthly basis the FSCC will require monthly reports.

The keeping of the records and the take-off of information should be accomplished daily so that the semi-monthly or monthly reports may be forwarded to the FSCC Local Representative within two days after the close of the period or month.

A sample copy of the regular reports required from the local Welfare Agency will be furnished by the FSCC for use by the local Welfare Agency in obtaining the required number of copies.

In general these regular reports are:

(1) Report by types of cases--for cases certified as eligible to participate in Food Stamp Plan--(a) number cases eligible at beginning of period; (b) number of cases added during period; (c) number cases cancelled during period; (d) number cases eligible at end of period; (e) number of cases purchasing or receiving stamps; (f) value of the stamps sold or issued during period.

In instances where orange stamps are sold the report also includes (g) number of cases purchasing, minimum;

(h) number of new and repeat cases.

(2) Report for each type of case by family size supporting and showing information requested in (1).

(3) Report by series of Food Stamps issued or sold.

As the program progresses the form of these reports may be changed and new or special reports may be requested.

XXII. PRINTING OF FORMS FURNISHED BY LOCAL AGENCY:

With the exception of the Distribution List, all forms used by the Food Stamp division of the local Welfare Agency may be mimeographed, although printed forms would be preferable.

It is important that the local Welfare Agency have a sufficient initial supply of these forms printed or mimeographed immediately since the lack of them will cause delay and confusion in setting up and operating the plan.

UNITED STATES DEPARTMENT OF AGRICULTURE

Federal Surplus Commodities Corporation

August, 1939

THE FOOD STAMP PLAN

How it will work in Des Moines, beginning August 23rd

A new way of distributing surplus food is being tried out in Des Moines. Instead of giving surplus commodities to states and counties to be distributed to people receiving public assistance, the Federal Government will now give food order stamps. These stamps will be colored blue and can be redeemed in grocery stores for surplus foods as additions to the present family food supply.

Those now receiving surplus commodities and having actual residence within the corporate limits of the city of Des Moines, the town of West Des Moines and that part of Bloomfield township within the boundaries of the Des Moines Public School District, will be eligible to participate in the Surplus Commodity Food Stamp Plan. In addition, people working on WPA projects and all persons receiving or certified for any form of public aid that live in the city of Des Moines, the town of West Des Moines or that part of Bloomfield Township within the boundaries of the Des Moines Public School District, may get stamps if they want them.

The Food Stamp Plan is an experiment under the Department of Agriculture, in cooperation with the Polk County Board of Social Welfare and the food industry of Des Moines and West Des Moines. It is at the present time in operation in the cities of Rochester, New York; Dayton, Ohio; Seattle, Washington, and Birmingham, Alabama. Its purpose is to make use of farm products of which there is a surplus, due to the fact that many people do not have the money to buy them. Many families have been denied sufficient foods needed to keep children and adults healthy. At the same time farmers have more of these foods than the housewives of America can buy. The Food Stamp Plan has the same objective as the present commodity distribution plan, as operated through the commodity depots. This objective is to use part of the farm surplus in such a way as to give city families an opportunity for better balanced diets.

While the Food Stamp Plan is in operation in Des Moines no more surplus commodities will be distributed through the commodity depots. The Department of Agriculture will name the surplus food products. These surplus food products can be secured through the Food Stamp Plan in all grocery stores cooperating in the program. People eligible to receive the food stamps may get any of the surplus commodities they want. There will be a wider variety of surplus commodities than were available heretofore at the distribution depots.

There are two plans for distributing surplus food stamps in Des Moines; one includes those working on WPA projects; also those who are receiving or certified as eligible to receive either Old Age Assistance, Widows' Pensions or Aid to the Blind. These will be eligible to receive the free blue surplus food stamps, providing they buy orange colored food order stamps with a part of their WPA or Assistance payments. The orange colored stamps are to be bought at the rate of approximately $1 a week per person for each member of the family. These orange colored stamps will be good for the purchase of any food usually sold in a grocery store.

Under this plan for each four weeks pay period, the eligible person would have to purchase orange colored stamps at the rate of $4 per month for each member of his family. Their use is to insure that regular food purchases are kept up so that food secured with the blue surplus stamps will be in addition to and not in place of these regular purchases. One blue surplus stamp will be given free with each two orange stamps bought. Each stamp, whether blue or orange, will be good for 25 cents worth of food. For each $1 worth of orange stamps bought, the family will receive 50 cents worth of free blue stamps. For example, a family which buys $16 worth of orange stamps will get $8 worth of blue surplus stamps without extra cost.

The second plan for distributing the food stamps in Des Moines includes those who are now receiving Direct Relief. These will be eligible to receive the free blue stamps without having to buy orange colored stamps. Persons on Direct Relief now receive relief orders which are exchangeable for food which insures continuous and regular food purchases by this group.

Details of how to get the food stamps and how to use them are given in the following questions and answers:

1. **Question: What kind of stamps will be issued?**

Answer: Blue stamps and orange stamps. The blue stamps will not cost anything. They can be used only for obtaining surplus food products. Each one will be good for 25 cents worth of those foods. The orange stamps will cost 25 cents each, and each one will be good for any food product, whether it is surplus food or not.

2. Question: What foods are surplus?

Answer: The products which the Secretary of Agriculture has declared to be surplus and which are listed in the Federal Surplus Commodities Corporation Bulletin as food products for which blue surplus food order stamps may be used are as follows: Butter, shell eggs, corn meal, dried prunes, dry edible beans, wheat, graham, and whole wheat flour, rice, cabbage, fresh tomatoes, fresh green peas, onions (except green onions), fresh peaches, and fresh pears. It is expected that lard and vegetable fat products normally used for cooking purposes and made principally from cottonseed oil, will be added to this list sometime within the next thirty days and possibly by the time the Food Stamp Plan is actually opened in Des Moines. For the convenience of those purchasing surplus products, these bulletins will be posted in all grocery stores participating in the plan.

3. Question: Can the list of surplus foods be changed?

Answer: Yes. The list may be changed from time to time. If the surplus of some other product piles up, that product will be added to the list. Official lists of surplus commodities that can be bought with blue stamps will be sent to grocery stores to be posted there. Any change in the list will be given wide publicity.

4. Question: Will orange stamps be good for anything except food?

Answer: Yes. Orange stamps can be used to get household articles usually bought in grocery stores, such as starch, soap, matches, etc. However, orange stamps CANNOT be used to get beer, wine, liquor or any kind of tobacco, or food usually eaten at stores.

HOW TO GET THE STAMPS

5. Question: Who is eligible to receive food stamps?

Answer: Any person certified as eligible for Public Assistance. In Des Moines, this includes all persons receiving Direct Relief, Old Age Assistance, Widows' Pensions, Aid to the Blind and those working on WPA projects.

6. Question: Can persons certified as eligible for public assistance but not actually receiving aid obtain stamps?

Answer: Yes, if they are certified by the Polk County Board of Social Welfare.

7. Question: Can blue stamps be obtained separately?

Answer: Yes. Blue stamps will be given to families who at the present time are receiving public assistance in the form of disbursing orders. These blue stamps will provide for additional purchases of surplus foods only.

8. Question: How many blue stamps can persons receiving disbursing orders get?

Answer: The value of the blue stamps to be given this group will be 50 cents per week for each member of the eligible family.

9. Question: How can these blue stamps be obtained?

Answer: They will be given to eligible persons certified by the Polk County Board of Social Welfare. They are given in addition to the disbursing order to those who apply for them.

10. Question: Will blue stamps be given to those who receive Old Age Assistance, Widows' Pensions and Aid to the Blind?

Answer: Yes, but such persons must purchase the orange stamps in order to receive the blue surplus food stamps.

11. Question: Where will the stamps be on sale?

Answer: Books of stamps will be on sale at 401 East Sixth Street, (northeast corner of East Sixth and Locust Streets).

12. Question: When will the stamps be on sale for the different eligible groups?

Answer: Beginning August 23, 1939, stamps will be on sale every week day from 9 A. M. to 4:30 P. M., excepting Saturdays. The office will be open on Saturdays only from 9 A. M. to 12:00 Noon. STAMPS WILL NOT BE SOLD LABOR DAY, Monday, September 4, OR ANY OTHER LEGAL HOLIDAY.

Those eligible to purchase orange stamps will be notified when they may purchase. This notification will be given when they receive their monthly check. If they desire to purchase stamps they may do so on that date.

Those eligible to receive blue stamps only with their disbursing orders will also be notified when to come for their stamps, if they desire to receive them. This notice will also be given when they receive their monthly disbursing order. They must first sign a request for the stamps which will be given them at the Food Stamp Office, 401 East Sixth Street. They will immediately be given free blue stamps at the rate of 50 cents a week for each member of their family.

13. Question: Will blue surplus food stamps be given to those who are now receiving only surplus commodities by way of Direct Relief?

Answer: Yes. They may receive blue stamps when certified by the Polk County Board of Social Welfare.

14. Question: Will all stamp books contain the same number of stamps?

Answer No. Books for persons buying orange stamps with which will be included blue stamps to half the orange stamp value, will be issued in the following five different sizes to take care of family groups of different size:

$ 2 worth of orange stamps and $1 worth of blue stamps.
$ 4 worth of orange stamps and $2 worth of blue stamps.
$ 6 worth of orange stamps and $3 worth of blue stamps.
$ 8 worth of orange stamps and $4 worth of blue stamps.
$10 worth of orange stamps and $5 worth of blue stamps.

The books of blue stamps only will be issued in eight different sizes: $2, $3, $4, $5, $6, $8, $10 and $12.

15. Question: How many stamps can one person buy at one time?

Answer: At least enough to supply $1 worth of orange stamps a week for each member of his family. If a man has a wife and two children he may buy $4 worth of orange stamps for each week between the days on which he gets his WPA wages or relief payment. If he is paid twice a month, as in WPA, he may buy $8 worth of oange stamps for each pay period. Such a man buying $8 worth of orange stamps would get $4 worth of blue stamps good for surplus food. If he is paid once a month he may purchase $16 worth of orange stamps and receive $8 worth of blue stamps free. .....

16. Question: Can a person buy more than $1 worth of orange stamps a week for each person in his family?

Answer: Yes. If he desires to he can buy orange stamps at the rate of about $1.50 a week for each member of the family.

17. Question: After his first purchase, must an eligible person buy orange stamps regularly if he wishes to continue to buy stamps?

Answer: Yes. A person who has started with the plan and bought orange stamps once must buy orange stamps regularly, for each relief payment period, if he wants to continue with the plan and buy orange stamps again at any time. For example, if he buys orange stamps for the first month pay period, he must also buy them for the second pay period in order to be eligible for future purchases. If he buys stamps once a month, he must continue to buy regularly each month.

18. Question: Will identification be necessary in order to buy orange colored stamps?

Answer: Yes, it will be necessary for each eligible person to bring the special identification card which will be given him with his August check or disbursing order.

19. Question: If, rather than use his stamps, an eligible person needs to get all or a part of his money back on the orange colored stamps he has purchased, may he do so?

Answer: Yes, if because of some emergency he needs to he can get his money back on the orange stamps he has not used, provided the person to whom the stamps are issued returns them, together with blue stamps in the same ratio of blue and orange in which they were received. However, no stamps which are detached from the book will be redeemed.

20. Question: How will a person employed on a WPA project get stamps?

Answer: He, or his authorized agent, will apply at the Food Stamp Plan Office, 401 East Sixth Street, on such dates as he will have been previously advised to call and purchase stamps as is explained in question No. 15 above.

HOW TO USE STAMPS

21. Question: What stores will accept stamps in return for food?

Answer: All grocery stores that wish to take part in the plan.

22. Question: Can the stamps be used in grocery stores outside the city limits?

Answer: No, not outside of the corporate limits of the city of Des Moines, the town of West Des Moines, and the boundaries in that part of the Des Moines Public School District in Bloomfield Township for the first few months while the plan is being tried out.

23. Question: Can stamps be traded or sold?

Answer: No. They can be used only for food and only by the families to whom they are issued. Any holder of stamps or grocer who misuses them will be guilty of a misdemeanor and subject to a fine and imprisonment.

24. Question: Can stamps be used to pay a bill or an account already owing to a grocery store?

Answer: No. Stamps cannot be used to pay old bills or accounts.

25. Question: Will stores accept stamps that have been taken out of books?

Answer: No. Stamps must be taken out of the books at the time they are used in making purchases.

26. Question: Can anyone besides the person to whom the stamps are issued use them in grocery stores?

Answer: Yes, either the person to whom they are issued or a member of his family may bring the book to the grocery store and use the stamps for food. If the grocer does not know the person who brings in the book he can require that person to identify himself.

27. Question: Must persons save the books after all the blue and orange stamps are used?

Answer: Yes, because the empty covers must be turned in before new books can be bought. This will be true of all book covers except those bought for the last pay period. In other words, an eligible person need not turn in the covers of books bought during the pay period immediately before that of the present purchase, for all stamps from these books may not have been used at that time. Covers of all books bought at an earlier date than the pay period just before the current purchase must, however, be turned in before new books can be bought again.

28. Question: Must those who receive books of blue stamps only also save the books after the stamps are used?

Answer: Yes. They must turn in their empty book covers before new books can be issued, on the same basis as that explained in question No. 27, for those who buy orange stamps.

29. Question: Can an eligible person buy additional stamps if he loses the cover or the book that was issued to him previously?

Answer: Yes. A person who loses a book or cover will be eligible to buy additional books in the prescribed manner if he signs an affidavit form to the effect that there has been such loss.

30. Question: How can the stamps be used in stores?

Answer: Grocers will accept each stamp at its full face value. One 25 cent orange colored stamp is good for 25 cents worth of ANY food. One 25 cent blue stamp is good for 25 cents worth of any food that is on the SURPLUS List.

31. Question: Can orange colored stamps be used for food of the kind that is usually eaten at the grocery store?

Answer: No. Orange stamps cannot be used for food which is usually consumed on the premises of a store.

32. Question: Will a person using blue stamps to buy foods on the surplus list get exactly the same products as people who pay cash?

Answer: Yes, and at the same price.

33. Question: Can grocers give change to customers using blue or orange colored stamps?

Answer: No.

34. Question: If food that costs less than 25 cents is bought, can stamps be used?

Answer: Yes, if the Grocer will agree to give the customer credit for future delivery of surplus food, if a blue stamp is given to him, or credit for future delivery of any food if an orange stamp is given.

35. Question: Stamps are printed in only one denomination—25 cents. If the price of the food purchased cannot be paid in multiples of 25 cents, what is done?

Answer: 1. The grocer may give the purchaser a credit slip representing the difference between the purchase price and the multiple of 25 cents.

For example: If the purchase price is 60 cents, the purchaser would give three food stamps to the grocer, representing 75 cents, and receive from the grocer a credit slip for 15 cents, to be used for future purchases of food.

2. The purchaser may, if he wishes, pay the difference in cash.

36. Question: Will surplus commodities be distributed from relief commodity depots to Des Moines people as they have in the past?

Answer: No, not while the experimental food stamp plan is in operation.

* * * * *

The Food Stamp Plan will begin in Des Moines, August 23, 1939. Any person desiring further information can obtain it through—

Various branches of the County Welfare Department in the Polk County Court House in Des Moines.

The Food Stamp Plan Office, 401 East Sixth Street.

The Federal Surplus Commodities Corporation, Room 306, Old Colony Building.

FEDERAL SURPLUS COMMODITIES CORPORATION
Food Stamp Division
306 Old Colony Building
Des Moines, Iowa

Sept. 6, 1939

INFORMATION FOR THE FOOD TRADE

1. SALES TAX.

The Iowa State Tax Commission has announced that no sales tax may be collected on sales of designated surplus commodities for which blue surplus food order stamps are taken in exchange. We are informed that this ruling is to be effective immediately. This ruling does not affect the sales of commodities made in exchange for orange-colored food stamps. The sales of commodities in exchange for the orange food order stamps will continue to be subject to the state sales tax.

2. WPA LAY OFF.

A large number of WPA workers are being given a 30 day lay off under the provisions of the Relief Act. It is our understanding that most of these people will receive their last checks on September 8. It is expected that many of them will apply to the Polk County Relief authorities for Direct Relief (food orders). The Polk County Relief Authorities have informed this office that applicants for Direct Relief submitted by laid-off WPA workers will be considered at the District Welfare Offices beginning September 11. In the event that an applicant is found to be in need of public assistance and is certified for Direct Relief he will, at the same time, be certified as eligible to receive blue food order stamps. It will be necessary that applicants appear in person at the District Welfare Offices. Stamps will be made available to those certified as eligible on the 28th and 29th of the month, at the Polk County Food Stamp Issuing Office located in the Home Savings Bank Building, 401 East 6th Street.

This information is being made available to you in order that you may inform those customers of yours who might be affected by this 30 day lay off.

W. R. Allstetter,
Local Representative.

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
Food Stamp Division
306 Old Colony Building
Des Moines, Iowa

TO: Wholesalers

There is apparently some confusion in the minds of the Retailers here in Des Moines as to the following items which are, or will be, on the Blue Food Stamp Surplus List after October 1:

1. PORK LARD. This refers only to lard produced from PORK as opposed to lard which is produced from other materials such as vegetable oils. NO OTHER PORK PRODUCT IS ON THE LIST. No pork meat in any form may be purchased with Blue Surplus Food Stamps.

2. WHEAT FLOUR AND WHOLE WHEAT FLOUR. This refers only to PURE WHEAT flour. Any flour to which has been added an appreciable amount of other materials, or that has been materially altered during processing, as in the case of pancake flour, may not be purchased with Blue Surplus Food Stamps.

3. SNAP BEANS. This refers to fresh green string beans, fresh wax beans or any other fresh beans when the unmatured bean is consumed in the pod. No canned beans are on the list.

It will be appreciated if you will pass this information on to your retail customers.

W. R. Allstetter,
Local Representative,
Food Stamp Program.

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
Food Stamp Division
306 Old Colony Building
Des Moines, Iowa

September 25, 1939.

TO: Wholesale and Retail Food Merchants and Banks.

Enclosed is a copy of Surplus Commodities Bulletin #3. Under the terms of this bulletin certain changes will be made, effective October 1, 1939, in the list of commodities which may be purchased with Blue Surplus Food Stamps. The following commodities will be removed from the present list:

Rice	Fresh Peaches	
Cabbage	Fresh Tomatoes	Fresh Green Peas.

Of the commodities which will be on the Blue Stamp Commodities list, on and after October 1, the following will be NEW ADDITIONS:

Pork Lard	Snap Beans
Raisins	Fresh Apples.

It should be noted that snap beans are to be designated as surplus food only for the calendar month of October.

It is suggested that the enclosed bulletin be posted in a prominent place in each retail store in order that Blue Stamp Holders may be informed as to what commodities they may purchase with Blue Surplus Food Stamps.

THIS BULLETIN WILL NOT BE EFFECTIVE UNTIL OCT. 1, 1939

W. R. Allstetter

W. R. Allstetter,
Local Representative,
Food Stamp Program.

UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL SURPLUS COMMODITIES CORPORATION

WASHINGTON, D. C.

SURPLUS COMMODITIES BULLETIN NO. 3

Subject to the applicable regulations and conditions prescribed by Henry A. Wallace, Secretary of Agriculture of the United States of America, Surplus Commodities Bulletin No. 2 dated June 30, 1939, is hereby cancelled effective midnight, E. S. T., September 30, 1939.

The following agricultural commodities and products are hereby designated as surplus food effective 12:01 A.M., E. S. T., October 1, 1939 and until further notice:

Butter	Shell Eggs	Fresh Apples
Pork Lard	Dried Prunes	Onions (Except Green Onions)
Corn Meal	Raisins	Dry Edible Beans
	Fresh Pears	Wheat Flour & Whole Wheat (Graham) Flour

The following additional agricultural commodity is hereby designated as surplus food beginning 12:01 A.M., E. S. T., October 1, 1939 and ending midnight, E. S. T., October 31, 1939:

Snap Beans

Blue surplus food order stamps may be used in accordance with the regulations and conditions referred to above for any of the above surplus foods in any retail food store, as defined by the Secretary of Agriculture, which participates in the Food Order Stamp Program. The Federal Surplus Commodities Corporation shall designate the areas in which the food order stamps may be used.

FEDERAL SURPLUS COMMODITIES CORPORATION

By Milo Perkins
President

Approved:

H A Wallace
Secretary of Agriculture
of the United States of America

* *

On the effective dates for the surplus foods set forth in Surplus Commodities Bulletin No. 3, the area within the city limits of Des Moines, Iowa and the immediate environs as defined by the local representative of the Federal Surplus Commodities Corporation is hereby designated as an area in which the agricultural commodities listed in such Bulletin shall be considered surplus foods. The posting of the definition of "the immediate environs" in the office of the local representative of the Federal Surplus Commodities Corporation shall constitute due notice thereof.

FEDERAL SURPLUS COMMODITIES CORPORATION

By Milo Perkins
President

UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL SURPLUS COMMODITIES CORPORATION

WASHINGTON, D. C.

August 14, 1939

Retailer F-1.
Re: Operation of Food Stamp Plan.

TO: RETAIL FOOD MERCHANTS

Sir:

The purpose of the Government's Food Stamp Plan is to encourage wider consumption of surplus food products by increasing the purchasing power of low-income families. The Government has been assured that this Plan can be most effectively carried out by retailers and other distributors of food products in the course of their regular business. The success of the Plan, therefore, will largely depend upon your cooperation with the Government in demonstrating the efficiency of this method of food distribution to the public.

There are enclosed the following materials for your use in connection with the Food Stamp Plan:

1 - Summary of Secretary's Regulations.

2 - Supply of orange and blue food order stamp cards. (Secretary's Regulations printed on reverse side of cards.)

3 - Surplus Commodities Bulletin No. 2.

4 - Instructions for securing payment for food order stamps. Careful observance of these instructions will insure prompt payment.

5 - Supply of invoice forms (FSC 460).

6 - Amendment to Secretary's Regulations dated July 12, 1939.

Additional supplies of the above material and any information you may desire relative to the Food Stamp Plan can be obtained from the local office of the Federal Surplus Commodities Corporation at the address shown below.

Very truly yours,

W. R. Allstetter,
Local Representative, Food Stamp Division,
Federal Surplus Commodities Corporation

Federal Surplus Commodities Corporation
Food Stamp Division
408 Old Colony Building
10th & Grand Street
Des Moines, Iowa.

PLEASE TAKE THIS QUESTIONNAIRE HOME AND CONSULT YOUR WIFE AND FAMILY BEFORE MAKING ANY ANSWERS. WHEN COMPLETED, RETURN TO TIMEKEEPER.

Name _____ Project _____

Address _____ Supervisor _____

Have you participated in the FSCC FOOD STAMP PROGRAM? _____

IF NOT

1. Why not? _____

_____

_____

IF SO

2. Do you intend to continue? _____

3. How has the PROGRAM affected your diet? _____

4. Do you still trade at the same store? _____

If not, why not? _____

5. Do the grocers treat you as well as if you were spending cash? _____

6. Please state any CRITICISM, SUGGESTION or QUESTION you may have in regard to the PROGRAM on the reverse side of this sheet.

PLEASE RETURN TO YOUR TIMEKEEPER TOMORROW.
(If there is not enough space use another sheet and attach securely)

IOWA WORK PROJECTS ADMINISTRATION

TO: WPA Timekeepers.

FROM: George J. Keller, State Administrator.

SUBJECT: Food Stamp Program Questionnaire.

The accompanying questionnaire is designed to enable us to determine to what extent WPA Project employees are taking advantage of the Federal Surplus Commodities Corporation's FOOD STAMP PROGRAM, and further, how the people who are buying stamps are reacting to the PROGRAM.

Pass out one questionnaire to every Polk County worker regardless of whether he is living in Des Moines or not. Request that he take it home and consult his wife and family before making answers. The questionnaire should be collected from the workers by you the following day and returned to the WPA Employment Division.

Please inform the employees on your Project that the following instructions are to be followed in making answers:

1. Those people who are not participating at the present time should fill in name, address, Project and supervisor, and answer question No. 1 telling <u>why</u> they are not participating. This may be a detailed answer.

2. For those people who are participating, all questions except No. 1 should be answered.

3. Please emphasize that detailed answers to question No. 6 will be very helpful.

NEW SURPLUS LIST

COMMODITIES THAT CAN BE PURCHASED WITH BLUE STAMPS

Beginning October 1, 1939, only the following surplus commodities may be purchased with Blue food stamps:

BUTTER
PORK LARD
CORN MEAL
EGGS
DRIED PRUNES
RAISINS
FRESH PEARS
FRESH APPLES
ONIONS (EXCEPT GREEN ONIONS)
DRY EDIBLE BEANS
WHEAT FLOUR AND WHOLE WHEAT (GRAHAM) FLOUR
SNAP BEANS (ONLY DURING OCTOBER)

Do not embarass your grocer by asking him to sell you anything for Blue stamps that is not in this list.

COR

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
Food Stamp Division
306 Old Colony Building
Des Moines, Iowa

September 25, 1939

REGISTRATION FOR FOOD STAMPS IS NECESSARY

Some of the persons who are eligible to receive Food Stamps have not yet registered with their District Welfare Offices.

Some of the persons who have been laid off WPA, or have been recently given jobs by the WPA, have not registered these changes with their District Welfare Offices. It is necessary that they do so in order to remain eligible to receive stamps. This registration may be accomplished by calling upon their District Welfare Offices at the following hours:

South Office	Any time during the day.
East Office	8:00 to 9:00 A.M.
North Office	8:00 to 9:00 A.M.
Central Office	10:00 to 12:00 A.M.
West Office	10:00 to 12:00 A.M. or 1:00 to 2:00 P.M.

These offices will NOT be open for registration on Saturdays.

I would appreciate your passing this information on to any of your customers to whom it might be of interest. If convenient, would you please post this letter at some prominent place in your store?

W. R. Allstetter

W. R. Allstetter,
Local Representative,
Food Stamp Program.

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
Food Stamp Division
306 Old Colony Building
Des Moines, Iowa

To Retail Food Dealers
Who are participating in the
Des Moines Food Stamp Program:

Reports received from various sources indicate that some food retailers do not thoroughly understand all phases of the Food Stamp Program and the regulations thereunder. The points which seem to be misunderstood and the proper explanations and instructions are set forth as follows:

1. It is reported that some retailers have been telling stamp holders that they cannot purchase with blue stamps unless the purchaser has orange stamps in his possession in the proper proportionate amount. Some merchants have also stated that those persons receiving Direct Relief, who receive blue stamps in addition to their food orders, must have their food orders with them in order to be permitted to buy with blue stamps.

Neither of these statements is correct. The stamp holder is not required to have orange stamps in his stamp book in order to purchase groceries with blue stamps. Nor is it necessary to present a food order in order to purchase groceries with blue stamps. In other words, the merchant need only be sure that the person who presents the stamps is the person to whom they were issued, that only proper merchandise is sold for each of the two types of stamps, and that the stamps are not detached from the book prior to the sale.

2. It is also reported that some merchants are advising stamp holders that only one or two of the surplus foods may be purchased with blue stamps. Of course that is not the case. Any or all of the thirteen (13) items listed in previous instructions may be sold either for orange or for blue stamps in any quantity, at any time, and in any combination or assortment.

NOTE: It must be remembered always that nothing can be sold for blue stamps except the 13 commodities named as surplus.

3. It is reported also that some merchants have told stamp holders that Federal regulations prevent stores from accepting stamps except at certain times. Actually, there is no Federal regulation of any sort covering the permissible times at which stamps may be accepted by merchants.

PLEASE TAKE THIS QUESTIONNAIRE HOME AND CONSULT YOUR WIFE AND FAMILY BEFORE MAKING ANY ANSWERS. WHEN COMPLETED, RETURN TO TIMEKEEPER.

Name _____ TY Project _____

Address _____ Supervisor _____

Have you participated in the FSCC FOOD STAMP PROGRAM? _____

IF NOT

1. Why not? _____

_____

_____

IF SO

2. Do you intend to continue? _____

3. How has the PROGRAM affected your diet? _____

4. Do you still trade at the same store? _____

If not, why not? _____

5. Do the grocers treat you as well as if you were spending cash? _____

6. Please state any CRITICISM, SUGGESTION or QUESTION you may have in regard to the PROGRAM on the reverse side of this sheet.

PLEASE RETURN TO YOUR TIMEKEEPER TOMORROW.
(If there is not enough space use another sheet and attach securely)

DAILY REPORT
FOOD STAMPS ISSUED

No. _____

Date Issued _____

SERIES	QUANTITY OF STAMPS	VALUE OF STAMPS			TOTAL
		BLUE	BLUE WITH ORANGE	BLUE ONLY	
TOTAL					

Signed _____

_____
Title

DAILY REPORT
FOOD STAMPS ISSUED

No. _____

Date Issued _____

SERIES	QUANTITY OF STAMPS	VALUE OF STAMPS			TOTAL
		BLUE	BLUE WITH ORANGE	BLUE ONLY	
TOTAL					

Signed _____

_____
Title

TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]		

POLK COUNTY SOCIAL WELFARE BOARD
FOOD STAMP DIVISION
SEMI-MONTHLY REPORT OF PARTICIPATION AND SALES
BY TYPE OF CASE

CERTIFIED ELIGIBLE CASES			UNDUPLICATED NUMBER OF CASES PARTICIPATING						VALUE BLUE STAMPS ISSUED
						BY AMOUNT OF PURCHASE			
CERTIFIED DURING PERIOD	CANCELLED DURING PERIOD	ELIGIBLE END OF PERIOD	TOTAL	NEW CASES	REPEAT CASES	MINIMUM PURCHASE	INTER-MEDIATE PURCHASE	MAXIMUM PURCHASE	

FSCC LOCAL REPRESENTATIVE

POLK COUNTY SOCIAL WELFARE BOARD
FOOD STAMP DIVISION

SEMI-MONTHLY REPORT OF PARTICIPATION AND SALES
BY TYPE OF CASE
AND
FAMILY SIZE

CERTIFIED ELIGIBLE CASES			UNDUPLICATED NUMBER OF CASES PARTICIPATING						VALUE BLUE STAMPS ISSUED
						BY AMOUNT OF PURCHASE			
CERTIFIED DURING PERIOD	CANCELLED DURING PERIOD	ELIGIBLE END OF PERIOD	TOTAL	NEW CASES	REPEAT CASES	MINIMUM PURCHASE	INTER-MEDIATE PURCHASE	MAXIMUM PURCHASE	

FSCC LOCAL REPRESENTATIVE

FCSA

C._____

POLK COUNTY SOCIAL WELFARE BOARD
PLAN AND DIVISION
401 East 6th Street
Des Moines, Iowa

SEMI-MONTHLY REPORT BY TYPES OF CASES
ELIGIBLE TO RECEIVE PUBLIC ASSISTANCE

FOR PERIOD_____ TO _____ INCLUSIVE

TYPE OF CASE	No. CURRENT ON THE PUBLIC ASSISTANCE PROGRAMS OF SOCIAL
OPA	
OAA	
AD	
AB	
TR	
TOTAL	

I hereby certify that the entries on this report are correct according to the records of this office.

DATE _____ SIGNATURE _____
Township Officer for Polk
County Social Welfare Board

FSD-5

NO. _____

POLK COUNTY SOCIAL WELFARE BOARD
FOOD STAMP DIVISION
401 East 6th Street
DES MOINES, IOWA

SEMI-MONTHLY REPORT BY SERIES OF FOOD STAMPS ISSUED
FOR PERIOD _____ TO _____ INCLUSIVE

SERIES	NO. BOOKS ON HAND BEGIN. OF PERIOD	NO. BOOKS RECEIVED FROM F.S.C.C.	NO. BOOKS TO ACCOUNT FOR	NO. BOOKS ISSUED DURING PERIOD	VALUE BOOKS ISSUED				NO. BOOKS ON HAND END OF PERIOD
					ORANGE	BLUE WITH ORANGE	BLUE ONLY	TOTAL	
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10
TOTAL									

I hereby certify that the entries on this sheet are correct according to the records of this office.

DATE _____

SIGNATURE _____
Issueing Officer for Polk County
Social Welfare Board

Food Stamp Division

CASHIERS DAILY ACCOUNT

Name _____ Date _____

Class	Issued to cashiers						Disbursed				Balance				Verified By
	Books				Value	Cashiers Initials	Books			Value	Books			Value	
	From	To	No	Rate			From	To	No		From	To	No		
F															
G															
H															
I															

Food Stamp Division

CASHIERS DAILY ACCOUNT

Name _____ Date _____

Class	Issued to cashiers					Sold					Balance					Verified By
	Books				Value	Cashiers Initials	Books			Value	Books			Value		
	From	To	No	Rate			From	To	No		From	To	No			
A																
B																
C																
D																
E																

Received $25.00 Change _____
(Signed) Cashier

Return of Change Received (Amt.) _____
Auditors Office _____

Food Stamp Division

CASHIERS DAILY ACCOUNT

Name _____ Date _____

Class	Issued to cashiers					Sold					Balance					Verified By
	Books				Value	Cashiers Initials	Books			Value	Books			Value		
	From	To	No	Rate			From	To	No		From	To	No			
A																
B																
C																
D																
E																

Received $25.00 Change _____
(Signed) Cashier

Return of Change Received (Amt.) _____
Auditors Office _____

Food Stamp Division

CASHIERS DAILY ACCOUNT

Name _____ Date _____

Class	Issued to cashiers						Disbursed				Balance				Verified By
	Books				Value	Cashiers Initials	Books			Value	Books			Value	
	From	To	No	Rate			From	To	No		From	To	No		
F															
G															
H															
I															

S-4726
(Rev. 7/1/39)

WORK PROJECTS ADMINISTRATION
Royal Union Life Building
DES MOINES, IOWA

Date _____

Supervisor _____

Address _____

W. P. No. _____

LOCATION _____

COUNTY _____

The Work Schedule below will be prepared by the Project Supervisor for a payroll month in quadruplicate (4) and the 4 copies forwarded to the Office of the P & S Field Supervisor at least 5 days prior to the beginning of the first payroll period in the month.

The schedule will be subject to the approval of the P & S Field Supervisor, and if approved, distribution will be made as follows: One copy to the Project, one to the Area Timekeeper, one to the Safety Division and one copy for her files. If the schedule is disapproved, it will be returned immediately for necessary corrections.

The hours of work as shown must be strictly followed, on the basis of 130 hours per payroll month, or 65 hours per pay-period, with a minimum of 5 hours and a maximum of 8 hours per day and not more than 40 hours in any seven consecutive days.

This schedule is very important and should be kept in your possession at all times. However, if Notice of Termination, Form 403, is issued by the Division of Employment this schedule will not govern after the effective date as shown on the Form 403.

A SEPARATE WORK SCHEDULE FOR NON-SECURITY WORKERS
(160 hours per payroll month) must be submitted.

First Pay-Period From _____ To _____ Inclusive

Calendar days in pay-period																	Total hours to work in pay-period
Hours to be worked																	
DO NOT WRITE IN THIS LINE																	

Second Pay Period From _____ To _____ Inclusive

Calendar days in pay-period																	Total hours to work in pay-period.
Hours to be worked																	
DO NOT WRITE IN THIS LINE																	

HELEN CRESSWELL
POLK COUNTY FIELD SUPERVISOR
PROFESSIONAL & SERVICE DIVISION

Date Issued: ____________
Cashier ____________

DAILY RECAPITULATION OF DISTRIBUTION LISTS
Form No. Birm. FSC-7

Page _____ of _____ Pages.

TYPE OF CASE	D.L. SHEET NO.	F-$2.00		G-$3.00		H-$4.00		I-$5.00		J-$6.00		K-$8.00		L-$10.00		M-$12.00		TOTAL BOOKS	TOTAL VALUE (DOLLARS)	TOTAL CASES	CHARGE CLERK	CREDIT CLERK	VERIFIED BY CASHIER
		NO. BOOKS	VAL. $	NO. BOOKS	VAL. $	NO. BOOKS	VAL. $	NO. BOOKS	VAL. $	NO. BOOKS	VAL. $	NO. BOOKS	VAL. $	NO. BOOKS	VAL. $	NO. BOOKS	VAL. $						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
TOTALS																							

Collection Agent F-2

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Surplus Commodities Corporation
Washington, D. C.

August 14, 1939

Re: Instructions for Securing Payment for Food Order Stamps.

TO: BANKS AND FOOD WHOLESALERS:

You may accept for collection food order stamps submitted by retail food merchants. If the following instructions are observed, payment for stamps so accepted by you will be made by the local office of the Food Stamp Division, Federal Surplus Commodities Corporation (FSCC):

A. Before accepting food order stamps for collection, you should determine that orange stamps only have been pasted on orange stamp cards (Form FSC 458) and blue stamps only have been pasted on blue stamp cards (Form FSC 459); that the name of the food retailer is shown on the stamp card, and that each stamp card is signed by the retail food store owner, manager, or other employee. A supply of blank food order stamp receipt books may be obtained from the local office of the FSCC for use in issuing food order stamp card receipts requested by retail food merchants.

B. Food order stamps should be submitted to the Federal Surplus Commodities Corporation accompanied by your Certified Invoice for Food Order Stamps (Form FSC 460), which should be prepared by typewriter, ink, or indelible pencil, as follows:

1. The original and one copy of the form should be prepared and submitted to FSCC. If you desire receipt from FSCC for stamp cards, submitted with your invoice, an additional copy of the invoice should be prepared.

2. In the space marked "Payee---" fill in the full name of your firm.

3. In the space marked "Address" fill in the address to which check should be mailed.

4. In the space provided in the body of the invoice form fill in the names and addresses of the retail food merchants from whom the stamps were received for collection, number and total value of orange stamps, number and total value of blue stamps, and total amount of invoice, as follows:

Retailer or branch of chain store from whom received (Name and Address)	Number of Food Order Stamps		Amount	
	Orange-Colored	Blue-Colored	Dollars	Cents
Best Ever Grocery, Seattle Washington				
Orange Nos. 4201, 4203, 4204, 4205	80		20	00
Blue Nos. 9301, 9304		40	10	00
Mt. Morris Market, Seattle, Washington				
Orange Nos. 5201, 5203, 5210	60		15	00
Blue No. 8010		20	5	00
Cash & Carry, Seattle, Washington				
Orange Nos. 4001, 4003	40		10	00
Blue No. 9021		20	5	00
Total			65	00

5. In space marked "Sign here Payee" show full name of your firm, which should be the same as the name shown on the first line of the invoice. Space marked "Per" should be signed by owner of your firm, president, treasurer, manager, or other employee. In space marked "Title" show whether owner, partner, president, treasurer, or other title.

6. Any erasures, corrections, or strike-overs on invoice form should be initialed by the individual signing the invoice.

7. Attach food order stamp cards firmly to your invoice and forward to the Auditor in Charge, Federal Surplus Commodities Corporation, at the local office address. There is no limitation as to the number of food order stamp cards which may be covered by one invoice.

Food Stamp Division
FEDERAL SURPLUS COMMODITIES CORPORATION

Retailer F-3

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Surplus Commodities Corporation
Washington, D. C.

Re: Instruction for Securing Payment for Food Order Stamps

August 14, 1939

TO: RETAIL FOOD MERCHANTS:

Payment for stamps exchanged for Food and Surplus Food as defined in the Secretary's regulations will be promptly made if the following instructions are observed. You may arrange to obtain payment for food order stamps through food wholesalers or banks, or payment can be obtained by sending stamp cards direct to the ~~Shawnee~~ office of the Food Stamp Division, Federal Surplus Commodities Corporation (FSCC):

A. SECURING PAYMENT THROUGH FOOD WHOLESALERS OR BANKS: If you arrange to obtain payment for stamps through wholesalers or banks, it will only be necessary to turn over to them food order stamp cards filled in as follows by typewriter, ink, or indelible pencil:

1. Paste orange stamps only in spaces on orange stamp card (Form FSC 458), and blue stamps only in spaces on blue stamp card (Form FSC 459).

2. In space in the certificate appearing on the card under the stamps fill in the total value of the stamps pasted on the card.

3. Write or print the following in the spaces on the bottom of the stamp card:
The name of your retail firm in the space marked "Payee",
The address of your retail firm in the space marked "Business Address",
The date on which card is signed in the space marked "Date".

4. Space marked "Signature" should be signed by owner of store, manager, or other employee.

5. Any erasures, corrections, or strike-overs on stamp cards should be initialed by the individual signing the cards.

6. DO NOT PRESENT FOOD ORDER STAMP CARDS TO POST OFFICE FOR COLLECTION.

B. SECURING PAYMENT FROM FSCC: If you desire to obtain payment for stamps from the ~~Shawnee~~ office of the FSCC, you may do so by sending food order stamp cards filled in as explained above to that office accompanied by your Certified Invoice for Food Order Stamps (Form FSC 460). Prepare the invoice form by typewriter, ink or indelible pencil, as follows:

1. The original and one copy of the form should be prepared and submitted to FSCC. If you desire receipt from FSCC for stamp cards, an additional copy of the invoice should be prepared.

2. In the space marked "Payee---" fill in the full name of your retail firm.

3. In the space marked "Address" fill in the address to which check should be mailed.

4. In the spaces provided in the body of the invoice form fill in stamp card numbers, number and total value of orange stamps, number and total value of blue stamps, and total amount of invoice, as follows:

Retailer or branch of chain store from whom received (Name and Address)	Number of Food Order Stamps		Amount	
	Orange-colored	Blue-colored	Dollars	Cent
Per Stamp Cards Attached Orange Nos. 6108, 6109, 6110, 6111, & 6112 Blue Nos. 9114, 9120, & 9128	100	60	25 15	00 00
Total			40	00

5. In space marked "Sign here Payee" show full name of your retail firm, which should be the same as the name shown on the first line of this invoice. Space marked "Per" should be signed by owner of store, manager, or other employee. In space marked "Title" show whether owner, partner, manager, or other title.

6. Any erasures, corrections, or strike-overs on invoice form should be initialed by the individual signing the invoice.

7. Attach food order stamp cards firmly to your invoice and send to the ~~Shawnee~~ office of the FSCC.

FOOD STAMP DIVISION
FEDERAL SURPLUS COMMODITIES CORPORATION

Retailer F-2

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Surplus Commodities Corporation
Washington, D. C.

August 14, 1939

Re: Summary of Secretary's Regulations,
Food Stamp Plan.

TO: RETAIL FOOD MERCHANTS:

It is suggested that you read and follow carefully the Regulations of the Secretary of Agriculture covering the Food Stamp Plan. These Regulations are printed on the back of food order stamp cards, a supply of which will be forwarded to you. Following is a brief summary of some of the Regulations with which you will be chiefly concerned:

"Retail Food Store" defined: "The term Retail Food Store means a merchandising establishment where a food and grocery retailer carries on the business of selling food or grocery products to consumers, not for the purpose of resale in any form and not consumed in the usual course of business on the premises."

Identification: Be sure that the person presenting stamps for food is the person or a representative of the person whose name appears on the front cover of the stamp book. If necessary the person should be required to identify himself.

Removing Stamps from Books: All stamps must be taken from stamp books in the presence of yourself or one of your employees only at the time delivery of the "food" or "surplus food" is made.

Orange Stamps: Orange stamps have a value of 25¢ each and may be taken by you in exchange for all foods for human consumption, and for household articles which are usually sold in grocery stores such as soap, starch and so forth. Orange stamps may not be used for products which in the usual course of business are consumed on the premises, and may not be used for tobacco, wine, liquor, beer, or other alcoholic beverages.

Blue Stamps: Blue stamps have a value of 25¢ each and may be taken by you only in exchange for foods listed as "surplus food" in bulletins which will be sent to you for posting in your store.

Making Change: Do not give change for stamps. You may, however, give credit for the kind of "food" or "surplus food" which is exchangeable for the partly used stamp. For example: If a person gives you one blue stamp for 20¢ worth of "surplus food", you may give him credit for 5¢ worth of "surplus food".

Use of Stamps for Payment of Bills: Do not accept stamps for payment of bills previously incurred. Stamps should be accepted by you only in exchange for food delivered after receipt of stamps.

Violation of Regulations: If occasion arises, inform persons that you cannot deviate from the Regulations as it would subject you to the fines and imprisonment provided by the U. S. Criminal Code.

It is suggested that the printed Regulations of the Secretary of Agriculture be posted in your store where they can be read by the public. You will be given due notice of any changes in these Regulations.

FOOD STAMP DIVISION
FEDERAL SURPLUS COMMODITIES CORPORATION

FSC Form No. 460
Form approved by
Comptroller General, U. S.
April 13, 1939

No. _____

CERTIFIED INVOICE FOR FOOD ORDER STAMPS

FEDERAL SURPLUS COMMODITIES CORPORATION, Dr.,

To _____
(Payee-wholesaler, central office of chain store, bank, or U. S. post office)

Address _____

Retailer or Branch of Chain Store from Whom Received (Name and address)	Number of Food Order Stamps		Amount	
	Orange-colored	Blue-colored	Dollars	Cents
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total				

(Payee must NOT use this space)

Differences _____

Account verified; correct for _____

(Signature or initials) _____

I certify that this invoice is correct and just and that payment therefor has not been received. Payment for the food and surplus food delivered for the food order stamps affixed to the forms attached hereto, is hereby requested by the payee as agent for the above retailers, or as the central office of the above branches of chain stores.

(Sign Original Only)

(Sign here)
Payee _____
(Invoice must be signed by "payee" as name appears above)

_____

Per _____ Title _____

U. S. GOVERNMENT PRINTING OFFICE 16—8066

FSC Form No. 458
Form approved by Comptroller General, U. S.
April 13, 1939

ORANGE STAMP CARD

UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL SURPLUS COMMODITIES CORPORATION

O- 367026

(To be Used by Retailers for Orange-colored Food Order Stamps)

Payment for food, as defined in the regulations and conditions on the reverse side of this form, delivered pursuant to orange-colored food order stamps can be obtained by the retailer either directly from the Federal Surplus Commodities Corporation, or indirectly through a bank, or a wholesaler of food, acting solely as agent for the retailer. Payment will be made by the Federal Surplus Commodities Corporation only upon receipt by it of one or more of these forms, with orange-colored food order stamps attached, properly certified in accordance with the regulations and conditions issued by the Secretary of Agriculture, which appear on the reverse side of this form.

AFFIX	STAMPS	SECURELY	IN
ORDER	TO	PREVENT	LOSS
	IN	HANDLING	

THE FEDERAL SURPLUS COMMODITIES CORPORATION WILL NOT BE RESPONSIBLE FOR FOOD			
ORDER STAMPS WHICH BECOME DETACHED FROM THIS FORM BEFORE PRESENTATION			

I certify that for all the orange-colored food order stamps affixed to this form, representing $_____, I have delivered "food," as defined in the regulations and conditions on the reverse side of this form, to the value stated on each of such food order stamps, and that the food order stamps were not removed from the booklet prior to presentation at the place of business indicated below. Payment for the "food" so delivered is hereby requested. I further certify that the conditions printed on the reverse side hereof have been complied with and I understand that any retailer violating such conditions will be denied further participation in the food-distribution plan and will be subject to all the fines and penalties imposed by law.

_____
(Payee—name under which retail business is conducted)

_____
(Business address)

NONNEGOTIABLE

_____ _____
(Date) (Signature of person authorized to certify)

Nontransferable, Except to a Bank, or Wholesaler of Food, for Collection

16—8097

REGULATIONS AND CONDITIONS GOVERNING THE ISSUANCE OF FOOD ORDER STAMPS, ESTABLISHING THE ELIGIBILITY OF THE HOLDERS THEREOF TO RECEIVE AGRICULTURAL COMMODITIES OR THE PRODUCTS THEREOF AND PROVIDING FOR THE PAYMENT OF CLAIMS MADE BY RETAILERS OF SUCH COMMODITIES AND PRODUCTS, AS AMENDED

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by law, I, Henry A. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following regulations and conditions, to be in force and effect until amended or superseded by regulations or conditions hereafter made by the Secretary of Agriculture pursuant to law.

ARTICLE I.—REGULATIONS

Section 100. Issuance of Orange-colored and Blue Surplus Food Order Stamps.—Orange-colored and blue surplus food order stamps shall be issued only to persons certified by duly authorized agencies as eligible for public assistance and who, when so required, present evidence of such certification. After the issuance of the second book or series of books of food order stamps to any eligible person, no book or series of books shall be issued to such person unless there has been turned in to the issuing officer the covers of the initial book or series of books together with the proper certification of the holder provided for thereon; thereafter no holder shall be eligible to receive further books unless he has in like manner, with like certification, turned in the covers of all books previously issued, except the last book immediately preceding. In the event that the holder loses the covers of any book, he shall be eligible to receive further books only upon execution and presentation to the issuing officer in the form required of (*a*) a sworn affidavit that he has lost the covers and (*b*) a certification similar to that contained upon the covers.

Sec. 101. Designation of Surplus Agricultural Commodities or Products Thereof.—The Corporation shall from time to time prepare bulletins in which there shall be designated the agricultural commodities and products thereof found by the Secretary to be surplus food. Such bulletins shall be furnished to food retailers and wholesalers through their local organizations and trade publications, and to local newspapers and interested persons upon request.

Sec. 102. Payment of Claims Supported by Properly Presented Food Order Stamps.—Any retail food store merchant, who either personally or through his agent or representative, delivers food or surplus food to an authorized holder of food order stamps in accordance with the conditions made herein shall be entitled, in the event a claim for payment is made and presented, properly supported by such stamp cards, vouchers, and other forms as the Corporation may provide, to receive payment from funds held by or for the Corporation for orange-colored or blue surplus food order stamps at the rate of twenty-five cents (25¢) for each such stamp, provided the Corporation is satisfied that a proper claim has been made.

Sec. 103. Refunds.—In the event that food order stamps are not presented for delivery of food thereon, the Corporation shall make proportionate refunds on orange-colored food order stamps if returned to the Corporation by the person to whom originally issued together with blue surplus food order stamps in the same ratio in which received.

ARTICLE II.—CONDITIONS

Section 200. Amount and Ratio of Orange-colored and Blue Surplus Food Order Stamps Available to Any Eligible Person.—Any person certified by a duly authorized agency as eligible for public assistance, who, when required, has presented evidence of such certification, if entitled to periodic payments, may purchase or obtain in lieu of money payment, orange-colored food order stamps, for any one pay period or any period between relief payments, of a total minimum value of one dollar ($1) per week for himself and for each member of his family or person dependent upon him for support. In accordance with a formula to be prescribed by the Corporation, any such person may purchase or obtain in lieu of money payment for such period a total maximum value of approximately one dollar and fifty cents ($1.50) per week of orange-colored food order stamps for himself and for each member of his family or person dependent upon him for support. If it is determined by the Corporation that certain designated family groups have insufficient funds or means to purchase or obtain the minimum of orange-colored food stamps herein prescribed, the Corporation may fix a lower minimum for such family groups and their members. Any person purchasing or obtaining orange-colored food order stamps shall be given blue surplus food order stamps in the ratio of one blue surplus food order stamp for each two orange-colored food order stamps purchased or obtained: *provided, however,* that if in certain States, political subdivisions thereof, or areas, a substantial proportion of certain or all classes of eligible persons are found by the Corporation to be unable to purchase or obtain orange-colored food order stamps or are able to purchase or obtain such stamps only in an amount substantially below the minimum provided in this section, blue surplus food order stamps shall be given in an amount determined by the Corporation and without regard to the purchasing or obtaining of orange-colored food order stamps.

Sec. 201. Food Obtainable by Use of Orange-colored and Blue Surplus Food Order Stamps.—Orange-colored food order stamps may be used in any retail food store for any food, as defined herein, sold in such stores, including agricultural commodities and the products thereof found by the Secretary to be surplus food. Blue surplus food order stamps may be used in any such store only for food products found by the Secretary of Agriculture to be surplus food and so designated.

Sec. 202. Limitations on Use of Stamps.—No retail food store merchant, nor any manager, clerk, assistant, or other person acting for him, shall accept either orange-colored food order stamps or blue surplus food order stamps unless detached in the presence of such person at the time that the food or surplus food is delivered to the person authorized to receive such food. Food order stamps shall not be used for food which in the usual course of business is consumed on the premises of any retail food store; nor shall such stamps be sold, or used for any purpose or to effect any arrangement, agreement, scheme, or device other than that provided herein, not excluding the payment of accounts or debts previously incurred for food or other commodities delivered or services rendered.

Sec. 203. Duty of Retail Food Store Merchants or Their Representatives.—Nothing contained herein shall, in any manner, be interpreted or construed to relieve any retail food store merchant, or any manager, clerk, assistant, or other person acting for him, from the duty of making every reasonable effort to determine that the person presenting stamps for food or surplus food is the person whose name appears on the book of stamps, or an authorized representative of such person, and of requiring satisfactory identification if he has any reason to doubt the identity of the person or his right to possession of the stamps.

Sec. 204. Change.—No retail food store merchant, and no manager, clerk, assistant, or other person acting for him, shall give change in currency or otherwise in connection with food delivered for food order stamps: *provided, however,* that if such merchant or person so desires, he may extend credit for future delivery of food or surplus food, as the case may be, for the balance of the face value of an orange-colored or blue surplus food order stamp, if the food delivered is of a value less than either a single stamp or a multiple thereof.

Sec. 205. United States Post Office, Wholesalers, and Banks.—The United States Post Office, wholesalers, or banks may act as agents for retail food merchants in presenting to the Corporation claims for payment for food delivered to holders of food order stamps. The United States post office may, if authorized, act as agent for the Corporation in connection with payment upon such claims if properly presented.

Sec. 206. Relief Agencies.—In case food order stamps are made available in any State or political subdivision thereof or any area therein, if the Secretary, or his duly authorized representative, after reasonable notice and opportunity for hearing to the agency of such State or political subdivision or area, administering or supervising the administration of the issuance of food order stamps, finds that there have been imposed unreasonable or arbitrary requirements as to eligibility of persons to receive stamps in a substantial number of cases; or that in the administration of such stamps there has been a failure to abide by the conditions contained herein or by any agreement, understanding, or direction with or by the Secretary or the Corporation in connection with such stamps; the Secretary, or his duly authorized representative, shall notify such agency that such stamps will not be available in such State, political subdivision, or area until the Secretary, or his duly authorized representative, is satisfied that the unreasonable or arbitrary requirement is no longer so imposed and that there is no longer any such failure to abide by such conditions, agreement, understanding, or direction. Nothing contained herein shall be construed to limit the right of the Secretary to withdraw the food order stamp distribution plan from any State or political subdivision thereof or area therein whenever he has reason to believe that the provisions of section 32, Public Law No. 320, 74th Congress, as amended, and Public Law No. 165, 75th Congress, will not be effectuated by the continuation thereof.

Sec. 207. Penalties.—Any person who makes or causes to be made or presents or causes to be presented, for payment or approval to or by any person or officer in the Corporation or anyone acting as agent for the Corporation, any claim upon the Corporation for payment of orange-colored or blue surplus food order stamps, knowing such claim to be false, fictitious, or fraudulent, or in violation of the conditions herein contained; or whoever, in connection with the obtaining, holding, presentation, use, and payment upon orange-colored or blue surplus food order stamps, shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device, a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used, any false stamp, stamp book, stamp card, certificate, voucher, bill, account, or claim knowing the same to contain any fraudulent or fictitious statement or entry or to be in violation of the conditions herein contained shall be subject to the fines and punishment as provided in the United States Criminal Code and elsewhere and shall be denied further participation in any matter or respect concerning orange-colored or blue surplus food order stamps or the food-distribution plan based thereon.

ARTICLE III.—DEFINITIONS

Section 300.—As used on the stamp order book and on the face of the food order stamps and upon any other instrument or document issued in connection with food order stamps, and in these regulations and conditions, unless the context clearly indicates another meaning:

(*a*) The term "Secretary" means the Secretary of Agriculture of the United States of America.

(*b*) The term "F. S. C. C." or "Corporation" means Federal Surplus Commodities Corporation, an agency of the United States under the direction of the Secretary.

(*c*) The term "retail food store" means a merchandising establishment where a food and grocery retailer carries on the business of selling food or grocery products to consumers, not for the purpose of resale in any form and not consumed in the usual course of business on the premises.

(*d*) The term "food" means any agricultural commodity or the product thereof sold in retail food stores for internal consumption not on the premises and shall include household necessities usually purchased in grocery stores, such as soap, starch, and the like, but shall not include wines, liquors, beers, or other alcoholic beverages or tobacco in any form.

(*e*) The term "surplus food" means food found by the Secretary of Agriculture to be surplus and so designated in a surplus-commodities bulletin published and distributed by Federal Surplus Commodities Corporation in connection with the use of blue surplus food order stamps.

ARTICLE IV.—CONSTRUCTION

Section 400.—Nothing contained in these regulations and conditions shall be construed to be in derogation or modification of the right of the Secretary, the Corporation, or of the United States to exercise any jurisdiction or power granted by law.

Issued by Henry A. Wallace, Secretary of Agriculture, April 21, 1939
Published in the Federal Register, April 24, 1939.
Amended by Henry A. Wallace, Secretary of Agriculture, April 27, 1939.
Amendment published in the Federal Register, April 29, 1939.

U. S. GOVERNMENT PRINTING OFFICE 16—8097

FSC Form No. 459
Form approved by Comptroller General, U. S.
April 13, 1939

BLUE STAMP CARD

B- 342989

UNITED STATES DEPARTMENT OF AGRICULTURE

FEDERAL SURPLUS COMMODITIES CORPORATION

(To be Used by Retailers for Blue-colored Surplus Food Order Stamps)

Payment for surplus food, as defined in the regulations and conditions appearing on the reverse side of this form, delivered pursuant to blue surplus food order stamps can be obtained by the retailer either directly from the Federal Surplus Commodities Corporation, or indirectly through a bank, or a wholesaler of food, acting solely as agent for the retailer. Payment will be made by the Federal Surplus Commodities Corporation only upon receipt by it of one or more of these forms, with blue food order stamps attached, properly certified in accordance with regulations and conditions issued by the Secretary of Agriculture, which appear on the reverse side of this form.

AFFIX	STAMPS	SECURELY	IN
ORDER	TO	PREVENT	LOSS
	IN	HANDLING	

THE FEDERAL SURPLUS COMMODITIES CORPORATION WILL NOT BE RESPONSIBLE FOR FOOD			
ORDER STAMPS WHICH BECOME DETACHED FROM THIS FORM BEFORE PRESENTATION			

I certify that for all the blue-colored food order stamps affixed to this form, representing $_____, I have delivered surplus food, as defined in the regulations and conditions appearing on the reverse side of this form, listed in the Surplus Commodities Bulletin, issued for this purpose, effective at the time of delivery of such food, to the value stated on each of such food order stamps, and that the food order stamps were not removed from the booklet prior to presentation at the place of business indicated below. Payment for the surplus food so delivered is hereby requested. I further certify that the conditions printed on the reverse side hereof have been complied with and I understand that any retailer violating such conditions will be denied further participation in the food-distribution plan and will be subject to all the fines and penalties imposed by law.

_____
(Payee—name under which retail business is conducted)

_____
(Business address)

NONNEGOTIABLE

_____ _____
(Date) (Signature of person authorized to certify)

Nontransferable, Except to a Bank, or Wholesaler of Food, for Collection

16—8098

REGULATIONS AND CONDITIONS GOVERNING THE ISSUANCE OF FOOD ORDER STAMPS, ESTABLISHING THE ELIGIBILITY OF THE HOLDERS THEREOF TO RECEIVE AGRICULTURAL COMMODITIES OR THE PRODUCTS THEREOF AND PROVIDING FOR THE PAYMENT OF CLAIMS MADE BY RETAILERS OF SUCH COMMODITIES AND PRODUCTS, AS AMENDED

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by law, I, Henry A. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following regulations and conditions, to be in force and effect until amended or superseded by regulations or conditions hereafter made by the Secretary of Agriculture pursuant to law.

ARTICLE I.—REGULATIONS

Section 100. Issuance of Orange-colored and Blue Surplus Food Order Stamps.—Orange-colored and blue surplus food order stamps shall be issued only to persons certified by duly authorized agencies as eligible for public assistance and who, when so required, present evidence of such certification. After the issuance of the second book or series of books of food order stamps to any eligible person, no book or series of books shall be issued to such person unless there has been turned in to the issuing officer the covers of the initial book or series of books together with the proper certification of the holder provided for thereon; thereafter no holder shall be eligible to receive further books unless he has in like manner, with like certification, turned in the covers of all books previously issued, except the last book immediately preceding. In the event that the holder loses the covers of any book, he shall be eligible to receive further books only upon execution and presentation to the issuing officer in the form required of (*a*) a sworn affidavit that he has lost the covers and (*b*) a certification similar to that contained upon the covers.

Sec. 101. Designation of Surplus Agricultural Commodities or Products Thereof.—The Corporation shall from time to time prepare bulletins in which there shall be designated the agricultural commodities and products thereof found by the Secretary to be surplus food. Such bulletins shall be furnished to food retailers and wholesalers through their local organizations and trade publications, and to local newspapers and interested persons upon request.

Sec. 102. Payment of Claims Supported by Properly Presented Food Order Stamps.—Any retail food store merchant, who either personally or through his agent or representative, delivers food or surplus food to an authorized holder of food order stamps in accordance with the conditions made herein shall be entitled, in the event a claim for payment is made and presented, properly supported by such stamp cards, vouchers, and other forms as the Corporation may provide, to receive payment from funds held by or for the Corporation for orange-colored or blue surplus food order stamps at the rate of twenty-five cents (25¢) for each such stamp, provided the Corporation is satisfied that a proper claim has been made.

Sec. 103. Refunds.—In the event that food order stamps are not presented for delivery of food thereon, the Corporation shall make proportionate refunds on orange-colored food order stamps if returned to the Corporation by the person to whom originally issued together with blue surplus food order stamps in the same ratio in which received.

ARTICLE II.—CONDITIONS

Section 200. Amount and Ratio of Orange-colored and Blue Surplus Food Order Stamps Available to Any Eligible Person.—Any person certified by a duly authorized agency as eligible for public assistance, who, when required, has presented evidence of such certification, if entitled to periodic payments, may purchase or obtain in lieu of money payment, orange-colored food order stamps, for any one pay period or any period between relief payments, of a total minimum value of one dollar ($1) per week for himself and for each member of his family or person dependent upon him for support. In accordance with a formula to be prescribed by the Corporation, any such person may purchase or obtain in lieu of money payment for such period a total maximum value of approximately one dollar and fifty cents ($1.50) per week of orange-colored food order stamps for himself and for each member of his family or person dependent upon him for support. If it is determined by the Corporation that certain designated family groups have insufficient funds or means to purchase or obtain the minimum of orange-colored food stamps herein prescribed, the Corporation may fix a lower minimum for such family groups and their members. Any person purchasing or obtaining orange-colored food order stamps shall be given blue surplus food order stamps in the ratio of one blue surplus food order stamp for each two orange-colored food order stamps purchased or obtained: *provided, however*, that if in certain States, political subdivisions thereof, or areas, a substantial proportion of certain or all classes of eligible persons are found by the Corporation to be unable to purchase or obtain orange-colored food order stamps or are able to purchase or obtain such stamps only in an amount substantially below the minimum provided in this section, blue surplus food order stamps shall be given in an amount determined by the Corporation and without regard to the purchasing or obtaining of orange-colored food order stamps.

Sec. 201. Food Obtainable by Use of Orange-colored and Blue Surplus Food Order Stamps.—Orange-colored food order stamps may be used in any retail food store for any food, as defined herein, sold in such stores, including agricultural commodities and the products thereof found by the Secretary to be surplus food. Blue surplus food order stamps may be used in any such store only for food products found by the Secretary of Agriculture to be surplus food and so designated.

Sec. 202. Limitations on Use of Stamps.—No retail food store merchant, nor any manager, clerk, assistant, or other person acting for him, shall accept either orange-colored food order stamps or blue surplus food order stamps unless detached in the presence of such person at the time that the food or surplus food is delivered to the person authorized to receive such food. Food order stamps shall not be used for food which in the usual course of business is consumed on the premises of any retail food store; nor shall such stamps be sold, or used for any purpose or to effect any arrangement, agreement, scheme, or device other than that provided herein, not excluding the payment of accounts or debts previously incurred for food or other commodities delivered or services rendered.

Sec. 203. Duty of Retail Food Store Merchants or Their Representatives. Nothing contained herein shall, in any manner, be interpreted or construed to relieve any retail food store merchant, or any manager, clerk, assistant, or other person acting for him, from the duty of making every reasonable effort to determine that the person presenting stamps for food or surplus food is the person whose name appears on the book of stamps, or an authorized representative of such person, and of requiring satisfactory identification if he has any reason to doubt the identity of the person or his right to possession of the stamps.

Sec. 204. Change.—No retail food store merchant, and no manager, clerk, assistant, or other person acting for him, shall give change in currency or otherwise in connection with food delivered for food order stamps: *provided, however*, that if such merchant or person so desires, he may extend credit for future delivery of food or surplus food, as the case may be, for the balance of the face value of an orange-colored or blue surplus food order stamp, if the food delivered is of a value less than either a single stamp or a multiple thereof.

Sec. 205. United States Post Office, Wholesalers, and Banks.—The United States Post Office, wholesalers, or banks may act as agents for retail food merchants in presenting to the Corporation claims for payment for food delivered to holders of food order stamps. The United States post office may, if authorized, act as agent for the Corporation in connection with payment upon such claims if properly presented.

Sec. 206. Relief Agencies.—In case food order stamps are made available in any State or political subdivision thereof or any area therein, if the Secretary, or his duly authorized representative, after reasonable notice and opportunity for hearing to the agency of such State or political subdivision or area, administering or supervising the administration of the issuance of food order stamps, finds that there have been imposed unreasonable or arbitrary requirements as to eligibility of persons to receive stamps in a substantial number of cases; or that in the administration of such stamps there has been a failure to abide by the conditions contained herein or by any agreement, understanding, or direction with or by the Secretary or the Corporation in connection with such stamps; the Secretary, or his duly authorized representative, shall notify such agency that such stamps will not be available in such State, political subdivision, or area until the Secretary, or his duly authorized representative, is satisfied that the unreasonable or arbitrary requirement is no longer so imposed and that there is no longer any such failure to abide by such conditions, agreement, understanding, or direction. Nothing contained herein shall be construed to limit the right of the Secretary to withdraw the food order stamp distribution plan from any State or political subdivision thereof or area therein whenever he has reason to believe that the provisions of section 32, Public Law No. 320, 74th Congress, as amended, and Public Law No. 165, 75th Congress, will not be effectuated by the continuation thereof.

Sec. 207. Penalties.—Any person who makes or causes to be made or presents or causes to be presented, for payment or approval to or by any person or officer in the Corporation or anyone acting as agent for the Corporation, any claim upon the Corporation for payment of orange-colored or blue surplus food order stamps, knowing such claim to be false, fictitious, or fraudulent, or in violation of the conditions herein contained; or whoever, in connection with the obtaining, holding, presentation, use, and payment upon orange-colored or blue surplus food order stamps, shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device, a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used, any false stamp, stamp book, stamp card, certificate, voucher, bill, account, or claim knowing the same to contain any fraudulent or fictitious statement or entry or to be in violation of the conditions herein contained shall be subject to the fines and punishment as provided in the United States Criminal Code and elsewhere and shall be denied further participation in any matter or respect concerning orange-colored or blue surplus food order stamps or the food-distribution plan based thereon.

ARTICLE III.—DEFINITIONS

Section 300.—As used on the stamp order book and on the face of the food order stamps and upon any other instrument or document issued in connection with food order stamps, and in these regulations and conditions, unless the context clearly indicates another meaning:

(*a*) The term "Secretary" means the Secretary of Agriculture of the United States of America.

(*b*) The term "F. S. C. C." or "Corporation" means Federal Surplus Commodities Corporation, an agency of the United States under the direction of the Secretary.

(*c*) The term "retail food store" means a merchandising establishment where a food and grocery retailer carries on the business of selling food or grocery products to consumers, not for the purpose of resale in any form and not consumed in the usual course of business on the premises.

(*d*) The term "food" means any agricultural commodity or the product thereof sold in retail food stores for internal consumption not on the premises and shall include household necessities usually purchased in grocery stores, such as soap, starch, and the like, but shall not include wines, liquors, beers, or other alcoholic beverages or tobacco in any form.

(*e*) The term "surplus food" means food found by the Secretary of Agriculture to be surplus and so designated in a surplus-commodities bulletin published and distributed by Federal Surplus Commodities Corporation in connection with the use of blue surplus food order stamps.

ARTICLE IV.—CONSTRUCTION

Section 400.—Nothing contained in these regulations and conditions shall be construed to be in derogation or modification of the right of the Secretary, the Corporation, or of the United States to exercise any jurisdiction or power granted by law.

Issued by Henry A. Wallace, Secretary of Agriculture, April 21, 1939
Published in the Federal Register, April 24, 1939.
Amended by Henry A. Wallace, Secretary of Agriculture, April 27, 1939.
Amendment published in the Federal Register, April 29, 1939.

U. S. GOVERNMENT PRINTING OFFICE 16—8097

ANALYSIS OF FOOD PURCHASE STUDIES

RECOMMENDED BASIS OF ISSUANCE GUIDE

Economic Analysis Section
Region II
Surplus Marketing Administration

September, 1941

C O N T E N T S

Tables

ANALYSIS OF FOOD PURCHASE STUDIES

REGION II -- September 1941

I. SUMMARY

This report discusses the necessity for having orange stamp purchase requirements, reviews the evolution of the method of establishing minimum purchase requirements, and on the basis of food purchase studies conducted by the Economic Analysis Section, recommends a standard basis of issuance guide for Region II.

A. USES OF THE GUIDE

The recommended guide should be of help in establishing bases of issuance throughout the region. The studies summarized here all pertain to WPA. Other information will soon be available covering OAA cases. Little information is available as a guide for other cash purchase categories; until more data can be gathered and summarized, this report probably represents the best available guide for the other cash purchase categories.

B. FACTORS CONSIDERED IN SUMMARIZING DATA

Food purchase studies in this and other regions indicate that, out of a fixed income, low income families tend to spend the following relative amounts of money for food:

Family Size	Relative Purchases
2	100
3	112
4	121
5	130
6	136
7	142

In this table, the value 100 was assigned to the purchases of two-person families; this value could have been assigned to the purchases of any one of the family sizes. To reduce the effect of sampling variations, these relatives have been used to adjust the results of individual studies.

In order to compensate for the effect of direct distribution of surplus commodities upon food purchases, one-half the conservative retail value of such food received by families studies has been added to determine "normal" food purchases.

To compensate for the substitution of food reserves for normal purchases, one-third to one-half of the conservative retail value of such food has also been added to arrive at "normal" food purchases. Conversely, when deductions for food reserves are permitted, one-half to one-third of their value should be allowed. For simplification, it would probably be well to allow uniform deductions of one-half the conservative retail value.

C. INCOME BASIS OF ISSUANCE

The guide has been established on the basis of family size and family income. The minimums recommended have been set at a point below average normal food expenditures, above which normal purchases of about 60% of the families fall.

The recommended minimum and maximum rates of issuance are shown in Table I.

D. APPLICATION OF THE GUIDE

These recommendations are intended to serve as a guide to aid in setting bases of issuance throughout the region. Local circumstances must, of course, also be considered. However, recommendations from the field for setting bases of issuance which vary materially from this schedule should be accompanied by a description of the factors which necessitate such variations.

In constructing the guide, the following income exclusion points have been used:

Family Size	Exclusion Point
2	$ 54
3	70
4	86
5	102
6	118
7	126

TABLE I

RECOMMENDED MINIMUM AND MAXIMUM PURCHASE REQUIREMENTS, BY FAMILY SIZE AND INCOME RECEIVED

REGION II — SEPTEMBER 1941

FAMILY SIZE	$0 TO $17.99		$18.00 TO $21.99		$22.00 TO $25.99		$26.00 TO $29.99		$30.00 TO $33.99		$34.00 TO $37.99		$38.00 TO $41.99		$42.00 TO $45.99		$46.00 TO $49.99		$50.00 TO $53.99		$54.00 TO $61.99		$62.00 TO $69.99		$70.00 TO $77.99		$78.00 TO $85.99		$86.00 TO $93.99		$94.00 TO $101.99		$102.00 TO $109.99		$110.00 TO $117.99		$118.00 TO $125.99	
	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.	MIN.	MAX.
2	10	14	11	16	12	18	13	19	14	20	15	20	16	20	17	20	18	20	20	20																		
3			12	16	13	18	14	20	15	21	16	22	18	24	19	25	20	26	22	28	24	28	27	28														
4					14	18	15	20	16	22	17	23	19	25	21	27	22	28	24	30	26	32	29	34	31	34	34	34										
5							16	20	17	22	18	24	20	26	22	28	23	31	26	34	28	36	31	41	34	42	37	43	40	43	43	43						
6									18	22	19	24	21	26	23	28	24	31	27	34	29	39	32	42	35	45	38	48	41	50	44	50	47	50	50	50		
7											20	24	22	26	24	28	25	31	28	34	30	40	33	43	36	46	39	49	42	52	45	55	48	56	51	56	54	56

These amounts should be considered as the maximum exclusion points for urban areas having high living costs. Most exclusion points will probably be established somewhat lower.

Although the schedule in Table 1 extends to cover families with extremely low incomes, sections of the table should seldom be used which call for a rate of orange stamp issuance lower than the local direct relief food budget (as granted).

The ratio of blue to orange stamps throughout the guide is 1:2. Under present circumstances, it is possible to maintain this ratio for all participants (provided need for additional food exists and the total of orange and blue stamps does not exceed the maximums set forth in section III-C below). At such time as the number of eligible participants increases considerably in relation to funds available, it might become necessary to adjust exclusion points or to reduce the ratio of the subsidy to the relatively less needy families.

II. INTRODUCTION

To insure the effectiveness of the blue stamp subsidy, it is essential that blue stamp purchases represent an increase over former food expenditures of participants and are not merely substituted for cash expenditures which would be made in the absence of the program. To prevent this substitution, participants, in order to receive free blue food stamps, are required to purchase orange food stamps at a level which will maintain their "normal" food purchases.

The setting of adequate purchase requirements has been one of the most persistent problems in the operation of the Food Stamp Program. Any group of families, no matter how similar the circumstances of its members, will show considerable variation in expenditures for food. Setting separate purchase requirements equal to the normal purchases of each participant is impracticable; the only alternative is setting minimums for groups of participants./1 Setting the purchase requirement in this manner automatically divides the group into two divisions: 1) those whose usual purchases are less than the minimum, and 2) those whose purchases equal or exceed the minimum. In setting minimums, the administrator must consider both effectiveness of the subsidy and the percentage of participation. Low minimums invite participation, but foster substitution; high minimums guarantee the effectiveness of blue

/1 This refers, of course, only to cash purchase categories. In a number of areas, individual purchase requirements are established for each person on relief, this minimum being the same, to the nearest dollar, as the amount of the relief food grant. In a few areas, individual requirements are established for all categories.

stamps, but may tend to discourage participation.

A summary of bases of issuance in the region shows clearly that there is little consistency in the orange purchase requirements in Region II. This lack of consistency is due to the fact that the method of setting orange stamp purchase requirements was undergoing considerable change during expansion of the program. The Food Stamp Plan was proposed as an alternative method of distributing agricultural products to low-income families and was inaugurated in several city areas on an experimental basis. The necessity for minimum purchase requirements was acknowledged as a prerequisite for the successful operation of the plan. In establishing minimum requirements for the experimental areas, recourse was made to a consumer purchase study conducted in 1935-36 by the Bureau of Labor Statistics and the Bureau of Home Economics in collaboration with the National Resources Committee. The results of that study showed that families receiving an income of less than $100 per month spent approximately one dollar per person per week for food; minimum purchase requirements in the experimental areas were set at this figure. Eligible participants were very responsive to this minimum and this responsiveness was generally considered to be the main criterion of the success of the plan. Extension of the program beyond the experimental stage was made on the basis of the dollar per person per week purchase requirement.

Factors overlooked in arriving at this minimum were 1) no cognizance was taken of economic differences within the group with income of less than $100, and 2) differences in purchasing habits at the various family size levels was ignored. Later experience with the program revealed the weaknesses of this approach.

It became increasingly apparent that this minimum requirement was, for many family groups, altogether too low, particularly for the smaller family sizes, and that substitution was prevalent in varying degrees. As a consequence the emphasis shifted from participation to effectiveness. The technique of food purchase studies of eligible participants was developed by the Economic Analysis Section of the Administration to furnish the information necessary in establishing more effective purchase requirements.

While the purchase studies were being conducted, and before an adequate body of information on the studies was assembled, new areas were being opened for operation. On the basis of scattered studies, minimum requirements were established closer to the normal purchases of eligibles than the dollar per person per week requirement. However, the establishment of minimums was still largely a matter of applying inadequate information with widely varying interpretations, with the result that purchase requirements for similar areas were far from uniform.

III. FOOD PURCHASE STUDIES

Sufficient studies have now been made to allow a rather comprehensive appraisal of the information and a translation of the results into a regional basis of issuance guide, a guide which can be used effectively not only in establishing purchase requirements in newly opened areas, but also in effecting adjustments in present bases of issuance.

A. FACTORS TO BE CONSIDERED IN SUMMARIZING DATA

Many factors contribute to variations in family food expenditures. The principal ones are: family size, family income, family composition. Cognizance has been taken of these factors in order to obtain meaningful results. Other factors such as race, individual preferences, and customs also influence individual family purchasing habits, but the segregation of these is not practicable. Still other circumstances are present, which must be isolated and analyzed.

1. Sampling Variations

The first of these elements is the fact that all statistical measures computed from samples are subject to sampling variations. A procedure was devised to minimize the effect of these variations.

Experience with food purchase studies indicated that food expenditures follow a fairly definite pattern; expenditures tend to increase as the family size increases. In any given purchase study, however, this increase is not always regular; average purchases for some family sizes are sometimes no greater than that of a smaller family group and, sometimes, may be even lower. On the assumption that under given economic conditions

there will be a tendency for a larger family to spend more for food than a smaller one, relatives have been established from the results of data collected from food purchase studies in this and other regions. Application of these relatives to results of food purchase study data tends to minimize the sampling variations. These relationships for WPA family sizes two through seven are shown by the following relatives:

Family Size	Relative Purchases
2	100
3	112
4	121
5	130
6	136
7	142

To arrive at this relationship the average food purchases by family sizes were converted, for individual studies, to a relative basis with the average purchases for two-person families equaling 100./1 In study areas where general assistance supplementation is given to the larger family sizes, these groups were omitted from consideration. A straight average of these relatives by family size yielded the above relationship as shown in the following table:

/1 The relationship between the different family sizes would be almost identical if the value 100 were assigned to any other family size.

TABLE 2

RELATIVE PURCHASES BY STUDIES AND RELATIVE PURCHASES FOR ALL STUDIES

Study	Relatives by Individual Studies: Family Size 2	3	4	5	6	7
Washington	100	115	129	136	140	132
Fresno	100	105	128	115		
Idaho	100	114	116	127	128	
Dallas (Negro)	100	102	127	107	111	108
Dallas (White)	100	123	125	132		
Jackson (Negro)	100	121	138	146	170	184
Duluth	100	105	119	129		
Eastern Iowa	100	119	108	125	123	
Chicago (White)	100	106	110			
Chicago (Negro)	100	102	131	141	151	
Cleveland (White)	100	106	110	133		
Cleveland (Negro)	100	118	124	146		
Southern Iowa	100	124	138			
North Dakota	100	111	100	124	116	140
Southern Wisconsin	100	107	116	136	149	148
TOTAL	1500	1678	1819	1697	1088	712
AVERAGE	100	112	121	130	136	142

2. Substitution of Commodities Received Under Direct Distribution for Normal Purchases

A second factor which enters into the results of food purchase study data is the direct distribution of agricultural commodities by the Surplus Marketing Administration. As was mentioned previously, the Food Stamp Plan was an alternative method of distribution and in practically every area the system of direct distribution preceded the Food Stamp Program; the result was that many sample cases selected

for the so-called "pre-program" studies were receiving this addition to their food resources. No attempt had been made to control the substitution of these commodities for normal cash purchases and it is assumed that some substitution did occur among public assistance families living on a cash income.

No precise data are available for measuring this substitution. /1 However, cognizance was taken of its probable occurrence and it was estimated at 50%. This adjustment factor is admittedly crude, but it is better than a complete disregard of the problem of substitution under the system of direct distribution of commodities.

3. Substitution of Food Reserves for Normal Purchases

Of considerable importance in the determination of average food purchases is the extent of substitution of home-grown and free food reserves for normal cash purchases of families living on a cash income. While this problem is confined almost entirely to rural areas, the expansion of the program to an increasing number of such areas has given it increasing importance.

The extent of this substitution may be determined by comparing two groups of families similar in all respects except the availability of food reserves. Suppose the first group, with no food reserves available, spends an average of $18.00 per month for food, and the second group, with food reserves worth $4.00 per family, spends an average of $16.00 per month for food. It is apparent that food purchases of the second group have been reduced from "normal" by an amount equal to 50% of the value of available food reserves. This figure may be termed the "substitution factor" for food reserves.

/1 An attempt was made to arrive at the substitution factor by formula as was done later with the problem of substitution of food reserves. The former was more complex than the latter. Only three studies were conducted in the absence of direct distribution, a non-participant study in four operating southern Iowa counties and pre-program studies of WPA families in the Chicago and Cleveland areas which were operating the program for public assistance cases other than WPA. No studies were made in economic areas with direct distribution corresponding to Chicago and Cleveland; hence

/1 (continued)

these data could not be used. The data submitted for non-participating families of the study in southern Iowa, where there was, of course, no direct distribution, could be used against that of studies conducted in other similar areas. The sample obtained in southern Iowa was so small as to preclude the prosecution of this method. N.b. With additional information that may be made available through other studies, this question will be explored more thoroughly.

When all or most of the families under study have some food reserves available the problem is complicated slightly, and may be solved by dividing the families into two groups, one having comparatively little free food and the other having a relatively large amount. Solution of the following relationship, in which all elements except one are known, will yield the substitution factor:

(Food purchases of first group) plus (Substitution factor) X (Food reserves of first group)

equals (Food purchases of second group) plus (Substitution factor) X (Food reserves of second group)

For the purpose of arriving at an evaluation of this substitution factor, data from the studies of WPA families in North Dakota, eastern Iowa, southern Wisconsin, and southern Iowa were used. The data by groups and the results obtained by family size are shown in the following table:

TABLE 3

FOOD PURCHASES AND FOOD RESERVES
OF RURAL WPA FAMILIES

Food Purchase Study	Group I /1			Group II /2			Percentage of Substitution of Food Reserves for Food Purchases
	No. of Families	Average Food /3 Purchases	Average Food Reserves	No. of Families	Average Food /3 Purchases	Average Food Reserves	
			Two-Person Families				
North Dakota	12	$ 9.73	$ .33	12	$ 6.00	$ 4.77	84
Southern Iowa	10	7.95	.40	7	7.28	3.76	20
All Rural Families	74	8.88	.28	23	7.57	4.22	33
All Rural Families except Southern Wisconsin	53	8.48	.31	22	7.20	4.19	33
			Three-Person Families				
North Dakota	23	10.54	.68	21	8.57	4.42	53
Southern Iowa	24	9.42	.54	11	9.14	4.31	7
All Rural Families	104	10.50	.55	44	8.72	4.57	44
All Rural Families except Southern Wisconsin	81	10.20	.57	40	8.67	4.53	39
			Four-Person Families				
North Dakota	16	9.96	.60	30	8.93	5.94	19
Eastern Iowa(44.40)	16	11.24	.54	5	10.16	4.51	27
Eastern Iowa(39.60)	6	10.36	.89	6	8.51	6.18	35
Southern Wisconsin	28	12.40	.53	7	11.04	4.85	31
Southern Iowa	15	10.74	.44	8	9.94	3.91	23
All Rural Families except Southern Wisconsin	53	10.61	.57	49	9.15	5.50	30
All Rural Families	81	11.23	.55	56	9.39	5.42	38

TABLE 3 (Continued)

Food Purchase Study	Group I /1 No. of Families	Group I /1 Average Food /3 Purchases	Group I /1 Average Food Reserves	Group II /2 No. of Families	Group II /2 Average Food /3 Purchases	Group II /2 Average Food Reserves	Percentage of Substitution of Food Reserves for Food Purchases
			Five-Person Families				
North Dakota	19	$11.77	$.67	26	$11.33	$5.77	9
Eastern Iowa (39.60)	8	11.28	.96	9	10.34	4.87	24
Southern Iowa	10	9.84	.35	5	7.76	7.44	29
All Rural Families except Eastern Iowa (44.40) and southern Wisconsin	37	11.14	.64	40	10.67	5.78	9
			Six-Person Families				
North Dakota	9	12.76	.51	29	10.62	6.63	35
Eastern Iowa	7	13.99	.50	10	9.68	4.56	106
Southern Wisconsin	14	16.16	.25	8	15.32	4.01	22
Southern Iowa	10	13.38	.62	6	10.50	5.39	60
All Rural Families	40	14.32	.45	53	11.14	5.71	60
All Rural Families except Southern Wisconsin	26	13.33	.55	45	10.40	6.00	54
			Seven-Person Families				
North Dakota	5	15.68	.63	14	11.71	6.57	67
Eastern Iowa	9	15.13	.41	5	14.73	6.14	7
Southern Wisconsin	5	20.42	.54	5	16.13	7.04	66
All Rural Families	19	16.67	.50	24	13.26	6.58	56
All Rural Families except southern Wisconsin	14	15.33	.49	19	12.50	6.46	47

/1 Group with comparatively little food reserve.
/2 Group with relatively large amount of food reserve.
/3 Actual food purchased plus 1/2 of conservative value of commodities received from Direct Distribution.

In 2, 3, and 4 person families, approximately one-third of the food reserve is substituted for normal cash purchases. In two of the three areas the substitution of the 5-person families is close to one-third. The larger family sizes both substitute about one-half of their food reserve. Results for individual studies are fairly consistent with these approximations. For facility of application to food purchase study data, therefore, an adjustment of the factors to 33-1/3% for family sizes 2 through 5, and 50% for family sizes 6 and 7 appears warranted. This means that one-third of the retail value of food reserves should be added to actual food purchases of families of two to five persons to arrive at an estimate of normal food purchases. Conversely, when deductions from minimum purchase requirements are made for food reserves, one-third of the value should be the amount of the deduction. In many areas it is now the practice to allow the full value of food reserves to be deducted from the minimum.

4. Income as a Factor Affecting Expenditures for Food

While the recognition of differences in purchasing habits by family size has been a constant factor in the setting of purchase requirements, there has been a rather wide divergence of opinion as to the emphasis to be placed on other variable factors. These differences have been manifested in the practices of using a categorical basis of issuance on one hand and, on the other, setting issuance rates according to income only. In the first instance the emphasis is on differences in purchasing habits of various public assistance groups. The other method, in use in several western states, ignores completely the category and places full emphasis on income.

Region II, up to the present time, has been setting minimums on a categorical basis. Some cognizance has been taken of income, but only as measured by base wages or grants. In the case of WPA, for example, minimums were established in accordance with the normal food expenditures of persons receiving the UA base wage. All WPA families participated on one schedule. The fact that many of these families have additional income and others are working at wage rates higher than the UA scale was ignored, although additional income decidedly modifies purchasing habits.

Actual wage and grant data of persons included in the studies were obtained from the various public assistance agencies. In addition, income information was secured by the purchase study enumerators from the families. The picture of total income thus obtained makes possible an appraisal of the food purchase study data on an income basis.

5. Setting Minimum Purchase Requirements

Since the purpose of orange stamp purchase requirements is to "freeze" normal purchases it might be assumed that the minimum for a given group of families should be the average of the purchases of these families. However, setting the orange stamp minimum at the average would necessitate considerable readjustment in the food buying habits of those families which usually purchase substantially less than the group average, or prohibit the participation of many. In order to minimize these difficulties, consideration must be given to setting the minimum at some point below the average.

With a coefficient of variation /1 of .30, the approximate ratio of many of those shown in table 4, when the minimum is set to divide the population so that the purchases of 40% are below that point, only 16½% of those above can substitute totally; the minimum effectiveness of the blue stamps to this group is 46.8%. A division of the population so that the upper group contains 66-2/3% of the population means that 22½% of this group now have the ability to substitute totally and that the minimum effectiveness of the subsidy to this group is now only 41%. Lowering the minimum so that 75% of the purchases are above that point allows one-third of this upper group to substitute the entire amount of the subsidy; for the group as a whole the blue stamps are approximately 33% effective.

When the minimum is set so as to require 40% of the population to raise their purchases in order to participate, the total increase in normal expenditures to this lower group as a whole is 29.9%. Setting the minimum so that only 25% are forced to raise their purchases in order to participate the total increase in expenditures for this group is 28.5%, a decrease of only 1.4%.

On the assumption that the optimum point for setting the minimum is the one which allows only 60% of the families to reduce their normal purchases, the following section summarizes the food purchase study data and shows recommended minimums.

/1 Coefficient of variation, the ratio the standard deviation bears to the mean, is a measure of the relative dispersion of a series. The greater the deviation of the coefficient of variation from .00, the greater the dispersion of the series.

B. SUMMARY OF DATA

WPA families constitute the largest cash purchase category; adequate purchase requirements for this group are essential to the effective and efficient operation of the program.

In evaluating the purchase study data on the basis of income, four-dollar income intervals were established from $18 to $54, with eight-dollar intervals above $54. To actual food purchases of WPA families, as shown in the various studies, was added fifty per cent of the conservative retail value of commodities received by direct distribution. These adjusted food purchases were tabulated according to income classification and family size. Averages were struck and standard deviations obtained. To the averages were added, depending on the family size, one-third or one-half of the average fair value of food reserves shown in each income classification. From each of these adjusted averages was subtracted one-fourth of the standard deviation, /1 thus approximating the point above which would be found the purchases of 60 per cent of the population. To smooth out sampling variations the family size differentials were applied to the figures thus obtained for each income interval. To arrive at minimums the resulting figures were rounded to the nearest dollar value.

The following table shows the results obtained by examining food purchase data of WPA families on an income basis.

/1 A more exact method would be to add the fair value of the food reserves of each case to the actual purchases adjusted for direct distribution and obtain standard deviations. However, the listings had been made on the other basis before the question of substitution of food reserves had been explored. Since it is probable that very little change would have been effected in the size of the various standard deviations, it was decided that the above method could be used without appreciably affecting the results.

TABLE 4

SUMMARY OF WPA FOOD PURCHASE STUDY DATA, BY INCOME CATEGORIES, AND RECOMMENDED MINIMUMS

1	2	3	4	5	6	7	8	9	10
Family Size	No. Cases	/1 Normal Purchases	Col. (3) Adjusted for Food Reserves	Col. (4) Adjusted by Family Size Differentials	Standard Deviations	Coefficient of Variation	Col. (4) minus 1/4 Col. (6)	Col.(8) Adjusted by Family Size Differentials	Recommended Min.
				$38.00 - $41.99 Interval					
2	31	$15.98	$16.41	$17.13	$6.93	.42	$14.68	$15.57	$16.00
3	49	18.83	19.39	19.19	6.78	.35	17.69	17.44	18.00
4	46	20.44	21.54	20.73	7.05	.36	19.78	18.84	19.00
5	32	20.31	21.60	22.27	7.80	.36	19.65	20.24	20.00
6	26	21.14	23.81	23.30	8.56	.36	21.67	21.18	21.00
7	8	20.78	32.22	24.32	5.88	.18	30.75	22.11	22.00
				$42.00 - $45.99 Interval					
2	25	18.52	18.94	19.39	6.93	.37	17.21	17.19	17.00
3	30	19.81	20.46	21.72	7.26	.36	18.64	19.25	19.00
4	32	19.46	20.33	23.46	7.22	.36	18.52	20.80	21.00
5	25	26.74	27.67	25.21	8.89	.32	25.45	22.35	22.00
6	21	27.74	29.48	26.37	8.84	.30	27.27	23.38	23.00
7	6	32.52	35.76	27.53	8.73	.24	33.58	24.41	24.00
				$46.00 - $49.99 Interval					
2	37	18.08	18.45	18.91	5.84	.32	16.99	17.53	18.00
3	44	20.59	20.97	21.18	5.92	.28	19.49	19.63	20.00
4	28	22.46	22.71	22.88	5.81	.26	21.26	21.21	21.00
5	35	25.21	25.60	24.58	8.07	.32	23.58	22.79	23.00
6	16	25.64	26.72	25.72	13.28	.50	23.40	23.84	24.00
7	12	28.83	29.79	26.85	9.48	.32	27.40	24.89	25.00
				$50.00 - $53.99 Interval					
2	116	21.51	21.51	21.66	6.58	.31	19.86	20.04	20.00
3	103	23.62	23.62	24.25	7.18	.30	21.82	22.45	22.00
4	85	25.07	25.07	26.21	7.54	.30	23.18	24.25	24.00
5	68	29.02	29.02	28.16	7.21	.25	27.22	26.05	26.00
6	35	32.85	32.85	29.46	10.76	.33	30.16	27.25	27.00
7	20	28.66	28.66	30.76	8.91	.31	26.43	28.46	28.00

/1 Actual purchases plus 1/2 of the conservative retail value of commodities received from Direct Distribution.

A complete schedule of recommended minimums by income intervals is shown in table 1. Discussion as to the factors considered in arriving at requirements other than those recommended above follows.

IV. EXTENSION OF GUIDE; EXCLUSION POINTS; MAXIMUM PURCHASE REQUIREMENTS

A. EXTENSION OF GUIDE

It is necessary that minimums be set for income levels other than those for which recommendations have been made above. In summarizing the food purchase study data, information on food expenditures of those receiving both higher and lower incomes than the above intervals was available; however, the data were too inadequate to allow valid conclusions to be drawn. The extension of the minimums must, therefore, be estimated from those already obtained from sufficient and reliable data.

The recommended minimum for a two-person family with an income of $40 is, as shown in table 4, $16; with a $12 increase in income to $52, the minimum for this family size is $20, an increase of $4. The same increase in minimums is present for 3-person families. In other words, 33-1/3% of the increase in income must be set aside for food. 41-2/3% of the increase in income is diverted to food at the 4-person family size. In family sizes 5, 6, and 7, the increase in minimums from the $40 income level to the $52 level is 50% of the additional income. If purchase requirements are extended at this same rate of expenditure, from $2.66 to $4.00 should be added to purchase requirements for each $8 interval beyond the $50.00 - $53.99 group. However, as income increases beyond this level, the proportion of income being spent for food probably decreases somewhat. Therefore, extension of the minimums to higher income classifications on the basis of an additional $3 out of each $8 of income will probably come quite close to maintaining normal expenditures in these groups.

Insufficient data have been gathered regarding the purchasing habits of persons receiving forms of cash public assistance other than WPA. Until sufficient information is available it is suggested that the minimums recommended for WPA be used in establishing purchase requirements for other categories whose purchases are made with cash, particularly ADC. However, the income available to some of these categories is, in many areas, considerably lower than the lowest WPA wage. Families having incomes lower than $36 undoubtedly spend a

larger per cent of that income for food. The extension of minimums to include families having lower incomes should recognize this fact. Extending the guide so that $1.00 less is spent for food for each $4 decrease in income will probably approximate the expenditure of these groups.

B. EXCLUSION POINTS

As the income of families increases, more money is spent for food and the need for a subsidy diminishes. Following a policy of first caring for the most needy families, it becomes necessary to establish a method for determining which families are most in need of additional food. This can best be accomplished by considering total family income, and establishing income points above which eligibility may not be established. The exclusion points recommended are:

Family Size	Exclusion Point /1
2	$ 54
3	70
4	86
5	102
6	118
7	126

These amounts should be considered as the maximum exclusion points for urban areas having high living costs. Most exclusion points will probably be established somewhat lower.

/1 With many states, particularly those with adequate standards, it may be well to relate exclusion points to state standard budgets. If exclusion points or eligibility standards are set without reference to such budgets, state welfare officials may feel that this is unwarranted criticism of the standards they have set.

C. MAXIMUM PURCHASE REQUIREMENTS

Not all those whose purchases normally exceed the minimum desire to purchase only the minimum amount of orange stamps; the additional purchasing power represented by blue stamps is sufficient inducement to many to offset the advantage of their ability to substitute. Maximum purchase points allow these persons the necessary latitude to maintain their normal purchases. Maximums could be set for the various income levels for different family sizes at the highest purchases shown by the food purchase studies. However, such a procedure might encourage violation of the regulations governing the use of food stamps. Normal purchases of 84% of the cases would be included at a point about one standard deviation above the average. In most cases this means a difference of $6 to $10 between minimums and maximums.

Accordingly, in the schedule of recommendations, maximums have been set $6 to $10 above minimums except in those instances where the total of orange and blue stamps exceeds the highest dietary level which can be justifiably supported with blue stamps.

Recent Bureau of Home Economics studies indicate that from $1.75 to $2.35 per person per week must be spent on food to obtain a low cost diet assuring adequate nutrition. This cost assumes virtual perfection in choice of foods. Allowing for freedom to purchase less nutritive but more palatable foods, purchases of $3 to $3.75 per person per week might be justified. This, however, represents the maximum defensible levels in areas of highest food costs. In accordance with these considerations, maximum permissible totals of orange and blue stamps per person per month have been set at $15 for families of 1 and 2 persons, $14 for 3-person families, $13 for 4- and 5-person families, and $12.50 and $12.00, respectively, for 6- and 7-person families.

UNITED STATES DEPARTMENT OF AGRICULTURE
SURPLUS MARKETING ADMINISTRATION

INTRODUCTION

This copy of the preliminary report of the consumption study in southern Wisconsin rural counties made by the Economic Analysis Section of Region II during the month of September has been mimeographed so that copies can be distributed to all SMA personnel on duty in Wisconsin and Minnesota.

A case study of this report will convince you that the minimum purchase requirements of Orange Stamps set out in each county under our Organization Bulletin No. 3 is generally lower than the actual average food consumption by these families.

The Food Stamp Plan is of value to Welfare Departments only when the Orange Stamp purchases actually reflect the average food purchases of persons under their supervision prior to the introduction of the Food Stamp Program. It is only in this case that additional food products are actually consumed by persons receiving public assistance and it is only when this is accomplished that the work of the Welfare Department is repaid by improved public assistance, better health, etc. It is, of course, obvious that from a standpoint of the American family this is the only condition under which additional farm products are moved by the Stamp Plan operations.

It is, of course, obvious that the merchants receive only assistance in changing their poor credit risks to cash customers unless the Blue Stamps taken in their stores actually represent additional food products consumed by their customers. It is necessary that all of these groups in each county appreciate these facts and appreciate why we are careful to have a high minimum purchase requirement of Orange Food Stamps for each participant. These studies and analyses will greatly aid you in such discussion. Additional copies, which may be personally given to Welfare Directors who are interested, may be obtained from the Madison Office.

PRELIMINARY REPORT ON SOUTHERN WISCONSIN RURAL CONSUMPTION STUDY

The rural Wisconsin consumption study covered purchases made by sample families during the two week period from September 16 - 29 inclusive. 1940

The area covered included all of Dane and Columbia Counties outside of the cities of Madison in Dane County and Portage in Columbia County. * The dividing line between "rural" and "urban" was arbitrarily drawn at the population figure of 5000. The 1940 population of Madison was 68,802 and the 1930 population of Portage was 6308. The largest town covered by the study was Stoughton in Dane County with a 1930 population of 4500. All of the remaining municipalities covered were quite small.

CATEGORIES INCLUDED IN STUDY

The consumption study covered WPA, Old Age Assistance and Aid to Dependent Children cases.

All WPA cases of family sizes two through seven outside of Madison and Portage were selected for study.

One hundred fifty one-person Old Age Assistance families and one hundred fifty two-person Old Age Assistance families were selected for original contact. The attempt was made to divide these cases evenly between small town and strictly rural families; however, this could not be rigidly controlled and the final results showed that there were not enough strictly rural cases to give a valid breakdown between these and the small town cases. All ADC cases of sizes two through six outside of Madison and Portage were selected.

The total number of cases originally available for contact were as follows:

Category	Family Size 1	2	3	4	5	6	7	
WPA		45	58	46	59	36	12	256
OAA	137	149						286
ADC		25	31	46	24	4		130
							Total	672

In addition to the above cases, twenty-five additional families were contacted which were reported to be in the desired categories but turned out to be in sizes or categories which could not be used in the study. Two hundred twenty seven of the cases could not be located, were unable to cooperate, refused to cooperate, or did not complete their record for the first period.

*A few OAA cases in the city of Portage were included, since it was thought at the beginning of the study that the number of OAA cases available in Columbia County would be small. There were seven one-person and two two-person OAA cases included in the final results.

A total of four hundred seventy schedules were submitted by the field workers. Seventy eight of these schedules were judged to be incomplete or unreliable. An additional twenty-three schedules could not be used because they fell in a family size and category that was too small to give valid results (for example, good schedules for five ADC two-person families and seven OAA three-person families were submitted, but it was not thought that valid conclusions could be based upon such a small number of cases). The three hundred sixty nine usable schedules were divided by family size and category as follows:

	Family Size							
Category	1	2	3	4	5	6	7	
WPA		27	32	36	39	34	10	178
OAA	45	75						120
ADC			24	28	19			71
						Total		369

All of the above families are classified on the basis of table size; that is, according to the number of persons regularly eating at the family table.

TOTAL FOOD PURCHASES

WPA

The average food purchases of WPA families are shown in table I. The families are divided into small town and strictly rural cases. "Urban" cases are those living in small towns or villages and rural families are those actually living on the land. Table I indicates that there is a small difference between the purchases of small town and rural families. It should be noted, however, that the breakdown between urban and rural is not equally valid for all family sizes. For example, the expenditures of rural three-person families are based only upon four cases and the expenditures of urban and rural seven-person families are based on only four and six cases respectively. With the exception of family size seven, the results shown in column 4 covering all cases are probably quite reliable. Most of the seven-person families covered by the study consumed a large amount of home grown foods and also received a large amount of free surplus foods during the two week period as may be seen by reference to table V. This accounts for the fact that purchases for seven-person families are lower than for six-person families. Because of the small size of our sample of seven-person families, it is impossible to tell whether or not this is typical.

Table I also shows, in column 5, the average purchases per person in the seven family sizes.

OAA

Table II shows average monthly food purchases of OAA families and food purchases per person. It will be noted that this information is on a calendar month in contrast to WPA data which are on a fiscal month basis.

In our computations, this meant that the purchases of OAA cases shown for two weeks were multiplied by 2.14, whereas, WPA purchases were multiplied by 2. Due to the fact that there were only three one-person cases and fourteen two-person cases where the families were strictly rural, no attempt was made to divide urban and rural cases.

In both Dane and Columbia Counties, checks to Social Security cases are mailed out on the 30th of the month. This means that the period of our study of OAA and ADC cases covered the last two weeks of a monthly purchase period, which probably makes our estimate of monthly food purchases a little low. With this qualification, the results of the one and two person OAA families are considered quite reliable since they are based on 45 and 75 cases respectively.

ADC

Table III shows average monthly food purchases of ADC cases. This information is also on a calendar monthly basis and again no attempt was made to separate urban and rural families due to the small number of strictly rural families available for study. Since only five two-person families and four six-person families submitted satisfactory reports, these sizes were omitted from the tables. The three, four, and five person families are based on twenty-four, twenty-eight, and nineteen schedules respectively and should be quite reliable.

As noted in the above section on OAA cases, the sample period for ADC cases covered the last two weeks of a monthly purchase period and, therefore, it may be expected that the food purchases shown are a little low. However, the error due to this is not as great as might be expected since it was found that, in contrast to other areas studied, large lump purchases were seldom made. It appeared to be the habit in most of the families in all three of the categories studied in Dane and Columbia Counties to make regular daily purchases.

EFFECT OF DIFFERENT WPA WAGE SCALES

Since the largest city in Dane County is Madison with a population of over 25,000 and less than 100,000, the fiscal monthly wage for unskilled (A) WPA workers is $48.00. In Columbia County, the corresponding wage is $42.90. Table IV shows the average food purchases for WPA families living in small towns, sizes three, four, five and six, classified by counties. The total number of cases available in Columbia County was quite small. There seems to be no indication of a tendency for Dane County WPA families to spend more than Columbia County families despite the difference in wages, although a study of a larger number of cases might show a slight tendency in this direction.

A breakdown of this type could not be made for WPA two-person or seven-person families nor for Social Security families.

TOTAL FOOD VALUE

Table V shows the estimated monthly total food value of WPA families studied. This is arrived at by adding the value of food purchased, value of surplus commodities received free, and value of home grown food and food gifts.

Table VI gives similar information for OAA and ADC cases. The last column of tables V and VI shows the known monthly income of the cases covered. The field workers were instructed to obtain the fullest possible information on the total family income of each cast studied; however, it was not possible to get full information for each family and it is known that a large number of the families had additional income which could not be determined.

HOME GROWN FOODS AND FOOD GIFTS

Table VII shows the value per family and per person of home grown foods and food gifts of the families studied. The percentage of families having home food resources or receiving food gifts is shown in column 2 "% of cases benefiting". For the three categories studied, from fifty-eight to seventy-eight percent of the families benefited from home grown foods and food gifts amounting to from 74¢ to $1.48 per person per month.

ESTIMATED NORMAL MONTHLY FOOD EXPENDITURES

Tables VIII and IX show the estimated normal monthly food expenditures of public assistance families in Dane and Columbia Counties. These estimates were arrived at by adding one-half of the value of surplus commodities received free to the estimated monthly food purchases. The basis of this method rests upon the fact that under direct distribution, substitution for normal food purchases undoubtedly takes place. The assumption that fifty percent substitution takes place under direct distribution is rough and arbitrary but is better than assuming no substitution. If anything, it errs on the conservative side.

COMPARISON OF WISCONSIN STUDY WITH MINNEAPOLIS AND DULUTH CONSUMPTION STUDY

Table X gives a comparison of estimated normal monthly food expenditures in rural Wisconsin with expenditures in Minneapolis and Duluth per family and per person for WPA family sizes two through seven. The differential between the Wisconsin Counties and the two Minnesota cities is smaller than might be expected. This is particularly true in view of the fact that the Minneapolis study covered a period when the Stamp Plan was in operation (although the orange stamp minimums were undoubtedly low), and that the Duluth study included some semi-skilled WPA families. In addition, the unskilled (A) WPA wage in both Minneapolis and Duluth is $52.00 per fiscal month compared with $48.00 in Dane County and $42.90 in Columbia County.

CONCLUSION

The outstanding indication from the consumption study in rural Dane and Columbia Counties is that food purchases of WPA, OAA and ADC families, with the exception of larger families, are above most of the orange stamp minimums in operation or contemplated. The degree of such differences may best be determined by a direct comparison of individual orange stamp schedules with the results included in the tables of this preliminary report.

UNITED STATES DEPARTMENT OF AGRICULTURE
SURPLUS MARKETING ADMINISTRATION

TABLE I

AVERAGE MONTHLY (FISCAL) FOOD PURCHASES OF UNSKILLED WPA FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN, SEPTEMBER, 1940

Family Size	Average Monthly Food Purchased Per Family			Average Purchased Per Person
	Urban/1	Rural	All	
2	$20.02	$20.18	$20.06	$10.03
3	21.72	19.82	21.48	7.16
4	23.74	23.54	23.74	5.81
5	27.50	27.02	27.38	5.48
6	31.70	27.16	29.82	4.97
7	33.80	28.86	29.64	4.23

/1 Urban refers only to population centers of less than 5000.

Study by Economic Analysis Section, Surplus Marketing Administration

TABLE II

AVERAGE MONTHLY (CALENDAR) PURCHASES OF OLD AGE ASSISTANCE FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN SEPTEMBER, 1940

Family Size	Average Monthly Food Purchased Per Family (Urban/1 and Rural/2	Average Monthly Food Purchased per Person
1	$12.28	$12.28
2	17.46	8.73

/1 Urban refers only to population centers of less than 5000.

/2 The number of rural Old Age Assistance cases available for study was insufficient to warrant a division of cases into urban and rural.

Study by Economic Analysis Section, Surplus Marketing Administration.

TABLE III

AVERAGE MONTHLY (CALENDAR) FOOD PURCHASES OF AID TO DEPENDENT CHILDREN FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN SEPTEMBER, 1940

Family Size	Average Monthly Food Purchased per Family (Urban/1 and Rural)	Average Monthly Food Purchased per Person
3	$20.42	$6.81
4	21.34	5.34
5	26.92	5.38

/1 Urban refers only to population centers of less than 5000.

Study by Economic Analysis Section, Surplus Marketing Administration.

TABLE IV

COMPARISON OF AVERAGE MONTHLY (FISCAL) FOOD EXPENDITURES OF UNSKILLED WPA VILLAGE FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN, SEPTEMBER, 1940

Family Size/1	DANE COUNTY Average	DANE COUNTY No. of Cases	COLUMBIA COUNTY Average	COLUMBIA COUNTY No. of Cases	COMBINED Average	COMBINED No. of Cases
3	$21.76	23	$21.52	5	$21.72	28
4	23.38	18	25.06	5	23.74	23
5	26.36	23	32.80	5	27.50	28
6	31.28	16	33.40	4	31.70	20

/1 Only those family sizes were used in which there were a sufficient number of cases in each county to warrant a comparison.

Study of Economic Analysis Section, Surplus Marketing Administration.

TABLE V

ESTIMATED AVERAGE MONTHLY (FISCAL) VALUE OF ALL FOOD RECEIVED BY AND KNOWN MONTHLY INCOME OF/1 VILLAGE AND RURAL UNSKILLED WPA FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN, SEPTEMBER, 1940

Family Size	No.Cases	Food Purchased	Estimated Value of Surplus Foods Received Free	Home Grown Food and Gifts		Total Food Value/2	Known Monthly (fiscal) income
				Average	No.benefiting		
2	27	$20.06	$ .22	$1.20	17	$21.48	$48.00
3	32	21.48	1.42	2.50	26	25.40	47.67
4	36	23.24	2.74	2.84	29	28.86	51.80
5	39	27.38	4.46	3.16	31	35.00	48.24
6	34	29.82	3.70	3.54	26	37.06	56.12
7	10	29.64	5.84	7.58	9	43.06	49.77

/1 The maximum WPA wage received was $48.00 per fiscal month, however, many families reported other income and it is certain that additional families had other income which was not reported.

/2 Includes adjustment for free surplus commodities distributed during the first half of September.

Study by Economic Analysis Section, Surplus Marketing Administration

TABLE VI

ESTIMATED AVERAGE MONTHLY (CALENDAR) VALUE OF ALL FOOD RECEIVED BY AND KNOWN MONTHLY INCOME OF VILLAGE AND RURAL SOCIAL SECURITY FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN, SEPTEMBER, 1940

Family Size	No. Cases	Food Purchased	Estimated Value of Surplus Foods Received Free	Home Grown Food and Gifts		Total Food Value	Known Monthly (calendar) income
				Average	No. benefiting		
			OLD AGE ASSISTANCE				
1	45	$12.28	$ .16	$ .88	23	$13.32	$25.29
2	75	17.46	.10	1.78	47	19.34	44.13
			AID TO DEPENDENT CHILDREN				
3	24	20.42	2.32	1.69	14	24.43	42.80
4	28	21.34	3.56	4.99	22	29.89	47.59
5	19	26.92	3.56	2.65	19	33.13	58.43

/1 Includes adjustment for free surplus commodities distributed during the first half of September.

Study by Economic Analysis Section, Surplus Marketing Administration

TABLE VII

ESTIMATED AVERAGE MONTHLY VALUE OF HOME GROWN FOODS AND FOOD GIFTS OF PUBLIC ASSISTANCE FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN, SEPTEMBER, 1940

Category	Size	% of Cases Benefiting	Average Value of Home Grown Foods & Food Gifts/1	
			Per Family	Per Person
WPA /2	2	63	$1.90	$ .95
	3	81	3.07	1.02
	4	81	3.53	.88
	5	79	1.17	.23
	6	76	4.62	.77
	7	90	8.42	1.20
	All	78	3.24	.74
OAA/3	1	51	1.74	1.74
	2	63	2.82	1.41
	All	58	2.47	1.48
ADC/3	3	58	2.89	.96
	4	79	6.36	1.59
	5	100	2.64	.53
	All	77	4.19	1.02

/1 This average excludes those families which did not benefit from home-grown foods or food gifts.

/2 On basis of fiscal month.

/3 On basis of calendar month.

Study by Economic Analysis Section, Surplus Marketing Administration.

TABLE VIII

ESTIMATED NORMAL MONTHLY (FISCAL) FOOD EXPENDITURES OF UNSKILLED WPA VILLAGE AND RURAL FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN, SEPTEMBER, 1940

Family Size	Estimated normal monthly food expenditures	
	Per Family	Per Person
2	$20.17	$10.08
3	22.19	7.40
4	24.61	6.15
5	29.61	5.92
6	31.67	5.28
7	31.54	4.51

Study by Economic Analysis Section, Surplus Marketing Administration.

TABLE IX

ESTIMATED NORMAL MONTHLY (CALENDAR) FOOD EXPENDITURES OF SOCIAL SECURITY VILLAGE AND RURAL FAMILIES IN DANE AND COLUMBIA COUNTIES, WISCONSIN, SEPTEMBER, 1940

Family Size	Estimated Normal Monthly Food Expenditures	
	Per Family	Per Person
OLD AGE ASSISTANCE		
1	$12.36	$12.36
2	17.51	8.76
AID TO DEPENDENT CHILDREN		
3	21.58	7.19
4	23.12	5.78
5	28.70	5.74

Study by Economic Analysis Section, Surplus Marketing Administration.

TABLE X

ESTIMATED AVERAGE NORMAL MONTHLY (FISCAL) FOOD PURCHASES OF WPA FAMILIES IN TWO RURAL WISCONSIN COUNTIES, AND MINNEAPOLIS & DULUTH, MINN.

Family Size	Estimated Monthly Food Expenditures per Family			Estimated Monthly Food Expenditures per Person		
	Rural Wisconsin/1	Minneapolis/2	Duluth/3	Rural Wisconsin/1	Minneapolis/2	Duluth/3
2	$20.17	$22.55	$22.83	$10.08	$11.27	$11.41
3	22.19	25.09	24.30	7.40	8.36	8.10
4	24.61	28.56	27.40	6.15	7.14	6.85
5	29.61	28.81	29.77	5.92	5.76	5.95
6	31.67	33.97	35.87	5.28	5.66	5.98
7	31.54	39.39	41.72	4.51	5.63	5.96

/1 Study of rural unskilled WPA families in Dane and Columbia Counties, September, 1940, prior to Stamp Plan

/2 Study of unskilled WPA families, July - August, 1940. The Stamp Plan was in effect at this time but orange stamp minimum purchase requirements were apparently so low that total food purchases were not substantially affected, except, perhaps, in the larger family sizes.

/3 Study of unskilled and semi-skilled WPA families, June, 1940, prior to Stamp Plan.

Studies by Economic Analysis Section, Surplus Marketing Administration

PRELIMINARY RESULTS OF PRE-PROGRAM FOOD PURCHASE STUDIES
OF RELIEF FAMILIES IN CHICAGO, ILLINOIS,
AND DULUTH, MINNESOTA

Size of Family	Food Purchases per Calendar Month		
	Chicago		Duluth
	White	Negro	White
1	7.27	6.44	10.22
2	10.01	9.07	15.90
3	13.12	14.46	19.18
4	17.99	19.88	25.02
5	21.44	19.13	31.30
6	22.61	20.69	30.86
7	30.84	25.76	42.00

PRELIMINARY RESULTS OF FOOD PURCHASE STUDIES OF WPA FAMILIES IN
DULUTH, MINNESOTA, MINNEAPOLIS, MINNESOTA, AND
RURAL DANE AND COLUMBIA COUNTIES, WISCONSIN

Famsize	Food Purchases per Fiscal Month		
	Duluth/1	Minneapolis/2	Rural Dane/3 and Columbia Counties
	22.80	22.15	20.06
	24.04	24.80	21.48
	27.16	28.78	23.24
	29.34	32.93	27.36
	34.33	37.08	29.92
	40.04	42.26	29.04

/1 Study of unskilled and semi-skilled WPA families, June, 1940, prior to Stamp Plan.

/2 Study of unskilled WPA families, July - August, 1940. The Stamp Plan was in effect at this time but orange stamp minimum purchase requirements were apparently so low that total food purchases were not substantially affected, except, perhaps, in the larger family sizes.

/3 Study of rural unskilled WPA families in Dane and Columbia Counties, September, 1940, prior to Stamp Plan.

UNITED STATES DEPARTMENT OF AGRICULTURE
Surplus Marketing Administration

USE OF BLUE STAMPS UNDER THE FOOD STAMP PLAN

MAY 1939 - SEPTEMBER 1940

A Graphic and Statistical Summary

Prepared By

Economic Analysis Section
Distribution and Purchase Division

October 31, 1940

The Food Stamp Plan

The Food Stamp Plan is an extension of the efforts of the Federal Government to improve farm income. The program enlarges the domestic market for surplus agricultural products by increasing the purchasing power of low income families in this country.

The increase in purchasing power is provided by issuing free blue stamps to needy people in areas where the program is operating. When certified (by established public welfare agencies) to be eligible these people may buy orange-colored stamps in amounts equal to their usual expenditure for food, generally at the rate of 5 to 7 cents per person per meal. With each purchase of orange stamps, the needy families receive free blue-colored stamps at the rate of 2½ to 3 cents per person per meal.

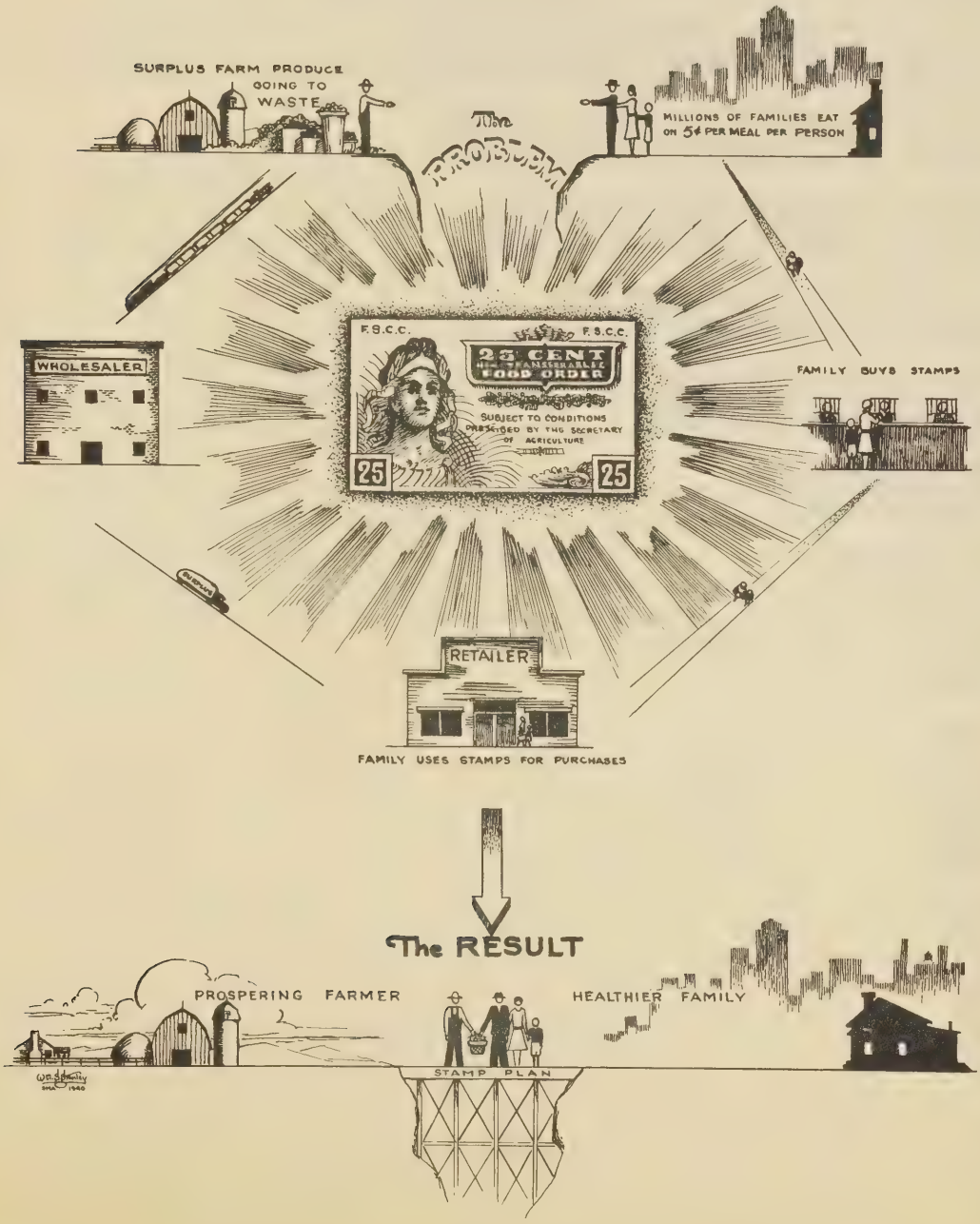
Orange stamp purchases are required in order to make certain that consumers participating in the plan will continue to spend the customary amount for food out of their own pockets, and that purchases with blue stamps will represent additional purchases. Orange stamps may be used in any retail store for the purchase of any food. Blue stamps may be used only to purchase agricultural products which are declared to be in surplus by the Secretary of Agriculture, and therefore, make possible an increase in the consumption of these products.

Within limits, needy families are offered increased amounts of blue stamps as they increase their purchases of orange stamps, so as to provide a substantial inducement to increase their out-of-pocket expenditures for food, thus further stimulating the demand for food crops.

In addition to increased use of surplus products through the Food Stamp Plan, the Surplus Marketing Administration makes purchases of surplus commodities directly from producers and shippers for distribution to needy school children under a free lunch program, to charitable institutions, and to people eligible for and receiving public assistance who are not eligible for the Food Stamp Plan. Other programs for surplus disposal by the Surplus Marketing Administration include increased use of cotton and cotton products through direct distribution and the Cotton Stamp Plan, increased consumption of milk by low-income families and school children, as well as the development of new uses for agricultural products, export subsidies, and by-product diversions.

Up to October 31, 1940, the Food Stamp Plan was in operation or had been announced for 218 areas throughout the United States which have a total population of approximately 39 million persons. In the areas which were in operation October 31, 1940, an estimated 4 million needy persons were eligible to take part in the program. By the end of September 1940, the program was actually in operation in 137 of these areas, and more than 2 million persons were receiving the additional buying power represented by blue stamps.

The FOOD STAMP PLAN
BRIDGES THE GAP
Between
OVER-SUPPLY and UNDER-CONSUMPTION



Expansion of the Program

The Food Stamp Plan began operation on an experimental basis on May 16, 1939. During the succeeding 5 months it expanded very slowly in order to facilitate changes suggested by experience. On the basis of accumulated experience and evident accomplishments during these initial months, the number of areas was increased from 8 in October 1939, to 13 in November. By December 1939, it was operating in 18 areas with nearly 400,000 persons securing slightly more than $2 per person per month in new purchasing power with which to increase their purchases of farm surpluses.

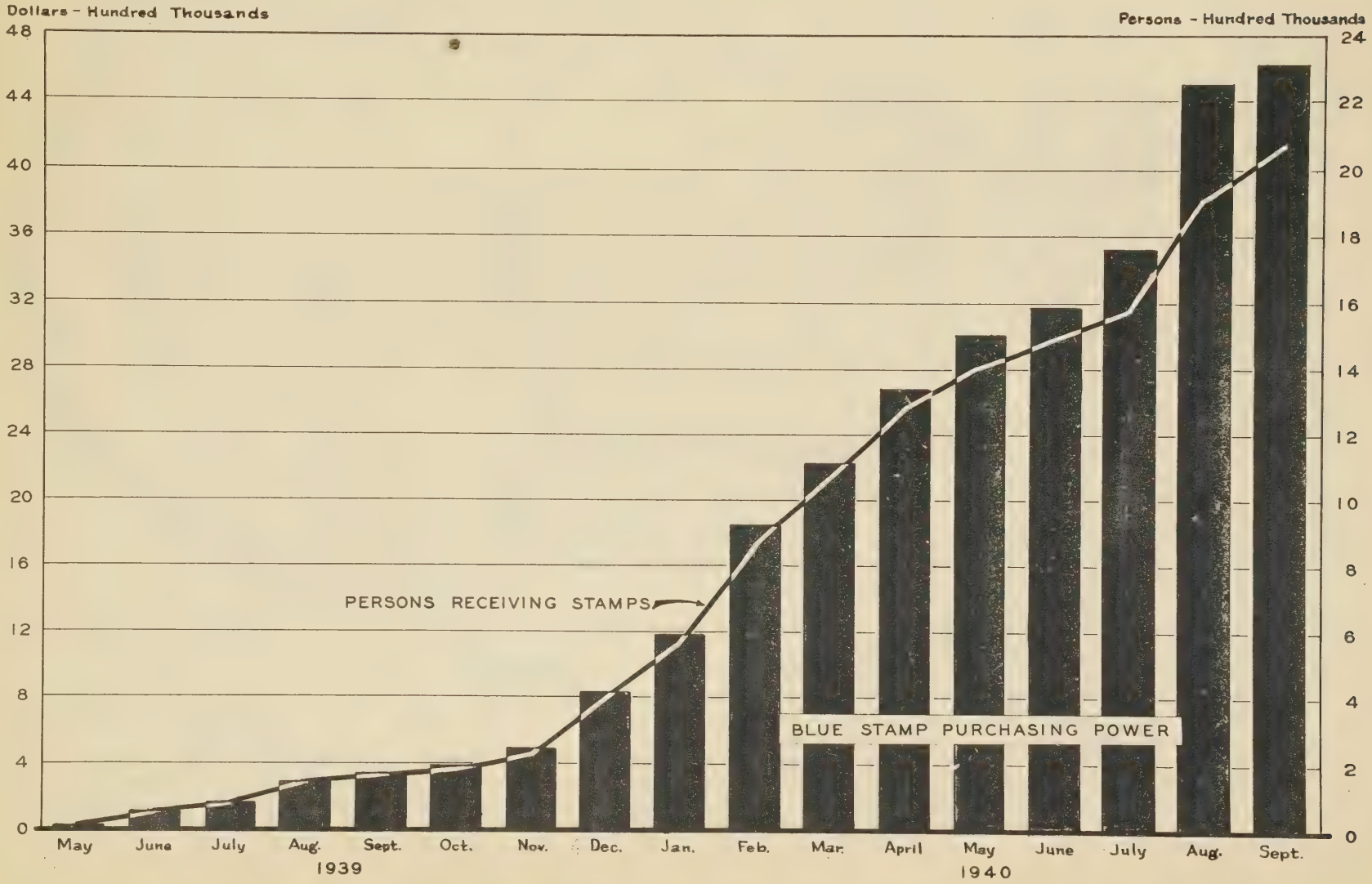
In accordance with the plan for gradual expansion, new areas were added so that by March 1940, more than 1 million people in 51 areas were taking part. The new buying power for surplus commodities in that month totaled over $2,200,000. By June 1940, the program was operating in 83 areas. Nearly 1,500,000 persons were increasing their food expenditures because of an increase in purchasing power of $2.12 per person, or a total of approximately $3,200,000 for all families. By September 1940, the plan was in effect in 137 areas and more than 2 million people were taking part. The total value of the surplus commodities purchased during this month was more than $4,600,000.

Figure 2 shows the monthly changes in number of persons receiving stamps and the volume of purchasing power being used to buy surplus products. Table 1 in the Appendix gives detailed information on the number of areas in which the plan was operating, the number of persons receiving stamps, and the value of blue stamps issued each month from May 1939, to September 1940.

FIGURE 2

NUMBER OF PERSONS RECEIVING BLUE STAMPS UNDER THE FOOD STAMP PLAN AND ADDITIONAL PURCHASING POWER FOR SURPLUS COMMODITIES, BY MONTHS

MAY 1939 - SEPTEMBER 1940



USDA - SMA
10 / 31 / 40

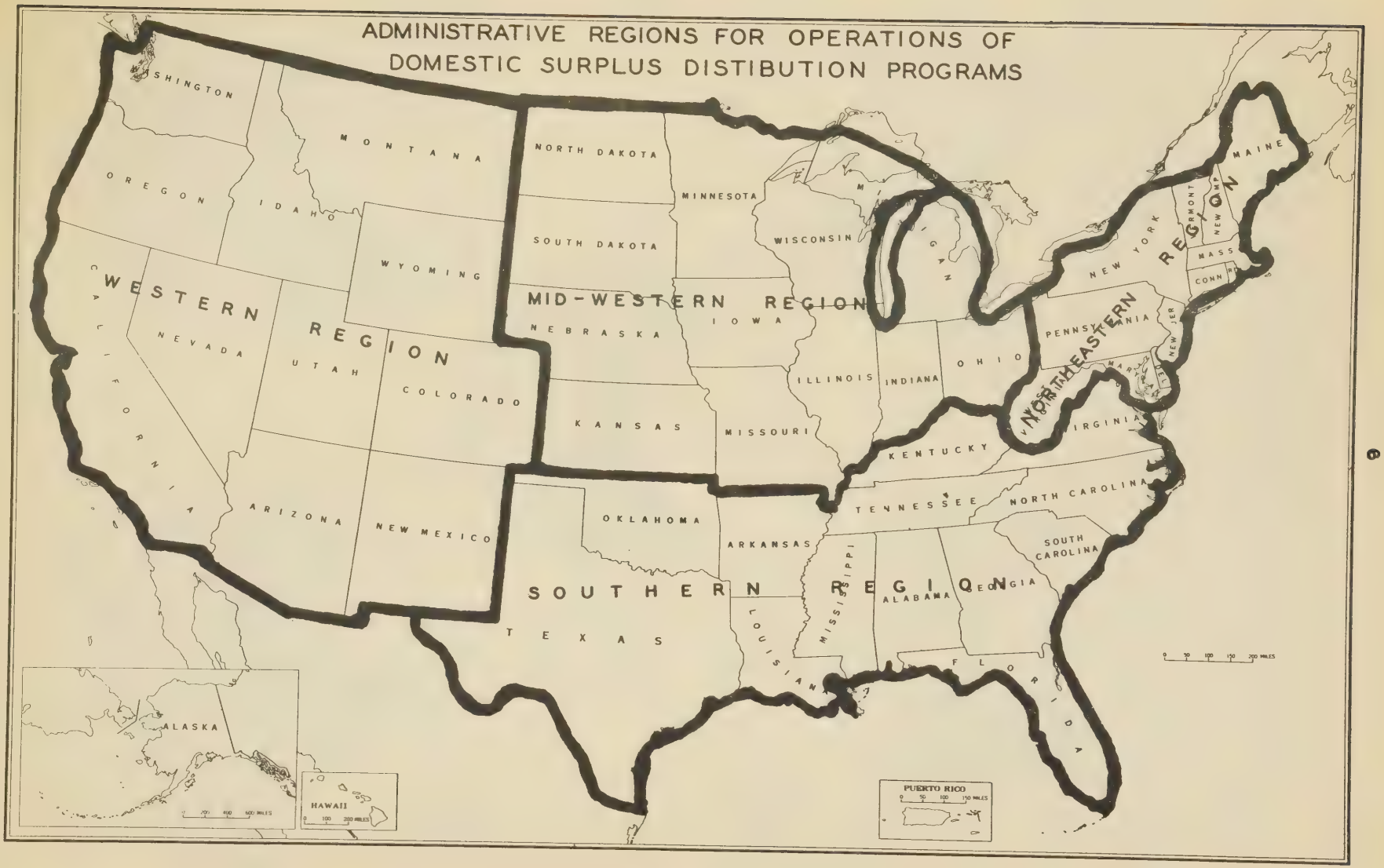
Regional Offices of Surplus Marketing Administration

From its beginning, the Surplus Marketing Administration has decentralized operations as much as possible. The objective is to have local and state groups assume the maximum responsibility possible for the conduct of the program.

For administrative purposes, stamp plan operations are conducted from four regional offices. These offices also supervise federal activities concerned with the direct distribution of surplus commodities for free school lunches, charitable institutions, and needy unemployed families. The offices and the states under their supervision are as follows:

Western Region	Midwestern Region	Northeastern Region	Southern Region
Regional Office Surplus Mktg.Adm. 112 Market Street San Fransicso, California	Regional Office Surplus Mktg. Adm. 1050 Empire Bldg. Milwaukee, Wisconsin	Regional Office Surplus Mktg. Adm. Mkt. St. Natl. Bank Building Philadelphia, Pa.	Regional Office Surplus Mktg. Adm. 525 Fidelity Bldg. Dallas, Texas
Washington	Illinois	Connecticut	Alabama
Oregon	Iowa	Delaware	Arkansas
California	Kansas	Maine	Florida
Nevada	Michigan	Maryland	Georgia
Utah	Indiana	Massachusetts	Kentucky
Arizona	Minnesota	New Hampshire	Louisiana
Colorado	Missouri	New Jersey	Mississippi
Idaho	Nebraska	New York	Oklahoma
Montana	North Dakota	Pennsylvania	South Carolina
New Mexico	Ohio	Rhode Island	Tennessee
Wyoming	South Dakota	Vermont	Texas
	Wisconsin	District of Columbia	Virginia
			West Virginia
			North Carolina

FIGURE 3



USDA - SMA
10 / 31 / 40

National Estimates of Use of Blue Stamps

Cooperating grocers in representative areas supply information on the purchases made with blue stamps. Based on these reports, preliminary estimates are made for all areas and for each of the four regions.

The selection of surplus commodities to be purchased with blue stamps depends primarily on the number and nature of products on the list, as well as dietary habits of the needy families, and the areas in which the program has been operating. Detailed information for the nation is given in Figure 4 and Appendix Tables 2 and 7. The list of surplus products has varied as follows:

May 16 - July 15 1939	July 16 - Sept. 30 1939	Oct. 1 - Dec. 15 1939	Dec. 16, 1939 - June 10 1940	June 11 - Sept. 30 1940
Butter Eggs	Butter Eggs	Butter Eggs	Butter Eggs	Butter Eggs
White and Graham Flour Corn Meal	White and Graham Flour Corn Meal Rice	White and Graham Flour Corn Meal	White and Graham Flour Corn Meal Rice Hominy Grits	White and Graham Flour Corn Meal Rice Hominy Grits
Dry Beans	Dry Beans Cabbage Fr. Green Peas Fr. Tomatoes Onions	Dry Beans Snap Beans/2 Onions	Dry Beans Onions/3	Dry Beans Fresh Vegetables/4
Dried Prunes Oranges Grapefruit	Dried Prunes Peaches Pears/1	Dried Prunes Raisins Pears Apples	Dried Prunes Raisins Oranges Grapefruit Pears Apples	Dried Prunes Raisins Oranges/5 Apples/6 Pears/6 Peaches/7
		Lard	Lard Pork	Lard Pork

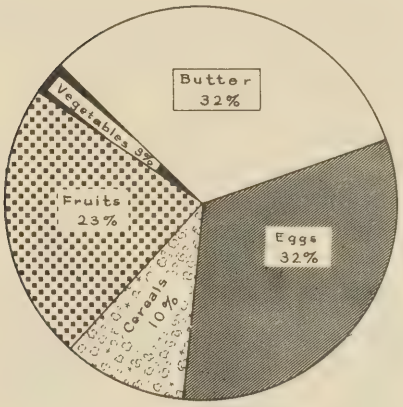
/1 Went on surplus list August 1.
/2 On list October only.
/3 Went off surplus list April 16.
/4 Beginning June 10, the vegetable list was made flexible and changed frequently to meet area surplus conditions. Included on the list for various periods of time and sections of the country were: cabbage, carrots, spinach, beets, snap beans, fresh peas, tomatoes, lettuce, corn, fresh lima beans, and celery.
/5 Taken off list June 30 and placed back on July 22.
/6 Taken off list June 10 and placed back on August 10.
/7 On list August 12-Sept. 30 in Western, Midwestern and Northeastern Regions, and in Virginia in the Southern Region.

FIGURE 4

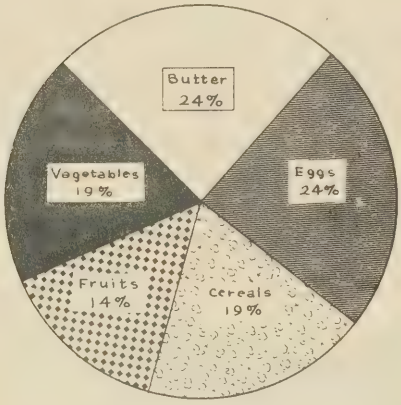
ESTIMATED PERCENTAGE USE OF BLUE STAMPS BY COMMODITY PERIODS FOR ALL AREAS

MAY 1939 - AUGUST 1940[1]

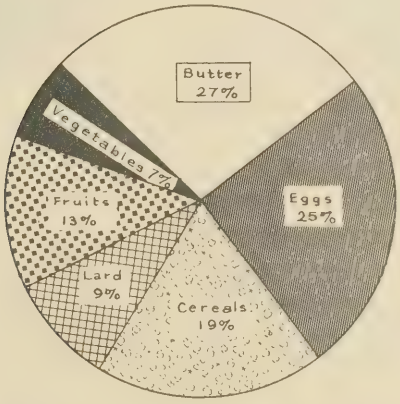
MAY 15 - JULY 15, 1939



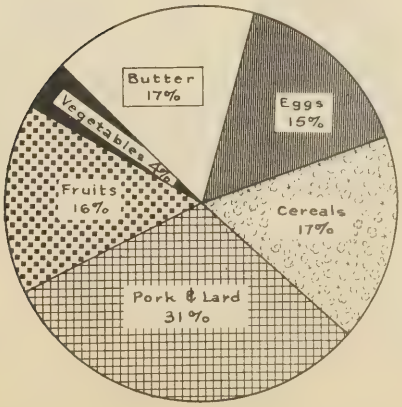
JULY 16 - SEPT. 30, 1939



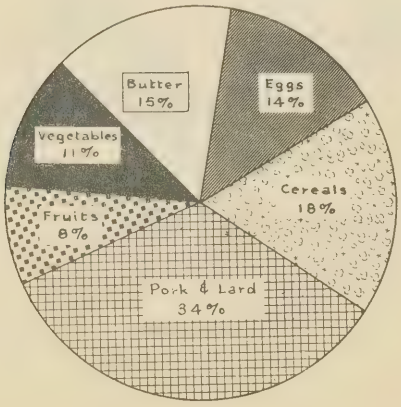
OCT. 1 - DEC. 15, 1939



DEC. 16 - JUNE 10, 1940



JUNE 11 - AUG. 31, 1940



1. PRELIMINARY DATA

USDA — SMA
10/31/40

Use of Stamps in Western Region

In the 11 Western states more than half of the blue stamps were used for butter and eggs up to December 15. After that date about one-third of the stamps were used for these commodities. Cereals accounted for 14 to 16 percent of the total throughout the period. Depending on the season and commodities available, fruits have taken 5 to 16 percent of the stamps. In the summer months vegetables have taken 13 to 15 percent of the total. Since December 16, pork and lard have accounted for 28 to 30 percent of the total.

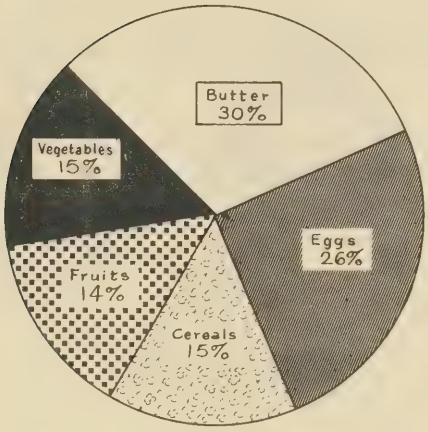
Figure 5 gives the changes in the percentage use of blue stamps for periods in which the commodity list was relatively unchanged. Detailed information is given in Appendix Tables 3 and 8.

FIGURE 5

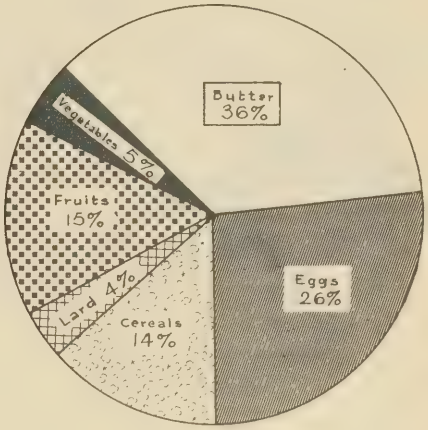
ESTIMATED PERCENTAGE USE OF BLUE STAMPS BY COMMODITY PERIODS FOR THE WESTERN REGION

JULY 1939 - AUGUST 1940[1]

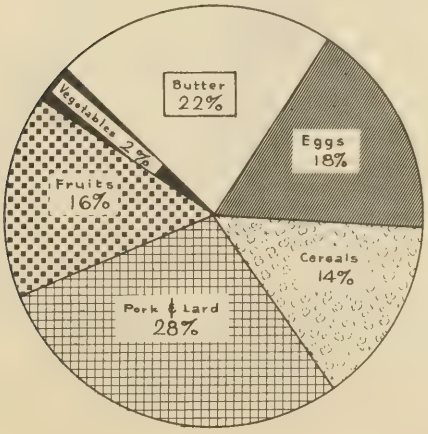
JULY 16 - SEPT. 30, 1939



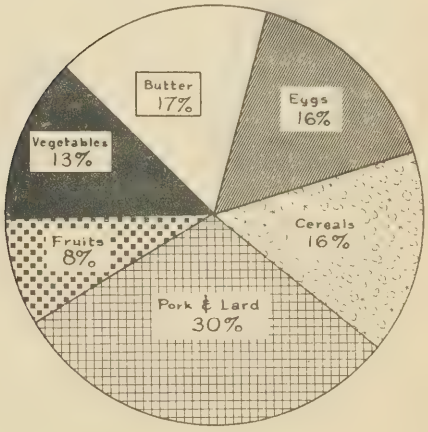
OCT. 1 - DEC. 15, 1939



DEC. 16 - JUNE 10, 1940



JUNE 11 - AUG. 31, 1940



1. PRELIMINARY DATA

Use of Stamps in Midwestern Region

In the Midwestern states about 17 cents out of each blue stamp dollar were used to purchase butter, and 14 cents were used for eggs from June 11 to August 31, 1940. About 12 cents were used for cereals during this period. Fruits and vegetables accounted for about 21 cents out of each dollar, and pork products accounted for about 36 cents during this period. Prior to the time that pork and lard were placed on the list, the proportions going to the other commodities were, of course, higher.

It is interesting to note that almost 80 cents out of each dollar were spent for agricultural products which are produced largely in this region.

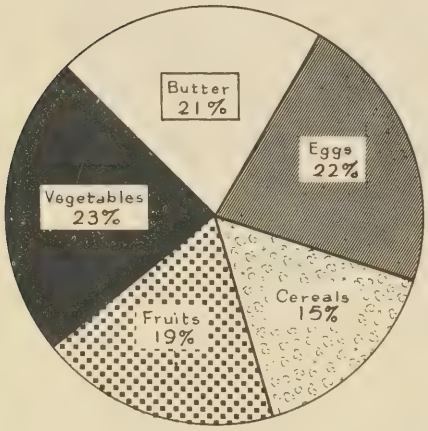
Figure 6 shows the changes which have taken place in the four principal commodity periods from July 1939, to August 1940. Detailed information is given in Appendix Tables 4 and 9.

FIGURE 6

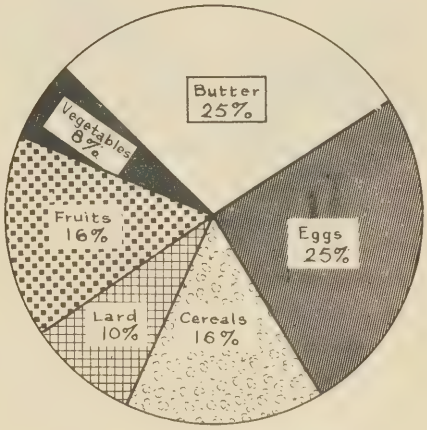
ESTIMATED PERCENTAGE USE OF BLUE STAMPS BY COMMODITY PERIODS FOR THE MID-WESTERN REGION

JULY 1939 – AUGUST 1940[1]

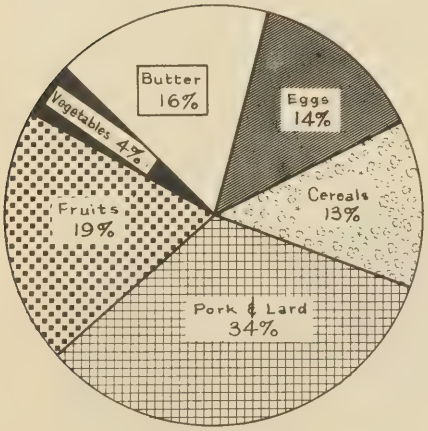
JULY 16 – SEPT. 30, 1939



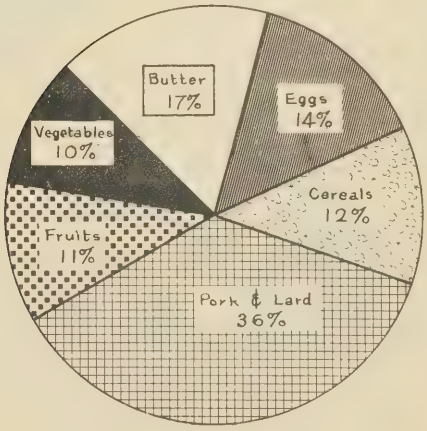
OCT. 1 – DEC. 15, 1939



DEC. 16 – JUNE 10, 1940



JUNE 11 – AUG. 31, 1940



1. PRELIMINARY DATA

U S D A – S M A
10 / 31 / 40

Use of Stamps in Northeastern Region

In the Northeastern Region butter and eggs have taken a larger proportion of stamps than in any of the other regions. About 37 cents out of each dollar were spent for these commodities from June 11 to August 31, 1940. Pork and lard took 32 cents, fruits and vegetables about 19 cents, and cereals about 12 cents. The proportions have changed over a period of time depending primarily on the commodity list.

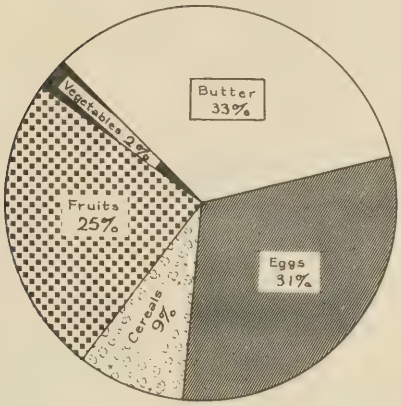
Figure 7 shows the changes in the list by commodity periods since May 1939. Appendix Tables 5 and 10 give more detailed information.

FIGURE 7

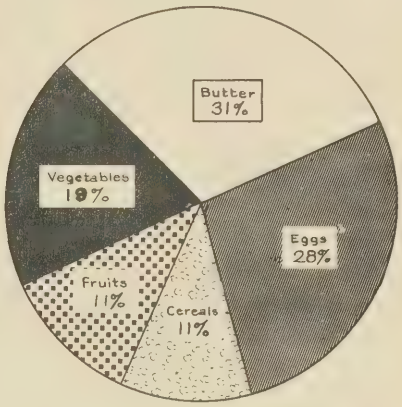
ESTIMATED PERCENTAGE USE OF BLUE STAMPS BY COMMODITY PERIODS IN THE NORTHEASTERN REGION

MAY 1939 - AUGUST 1940[1]

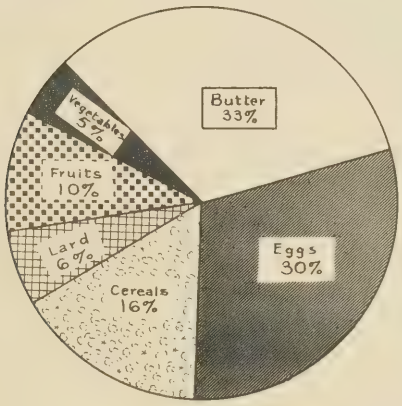
MAY 15 - JULY 15, 1939



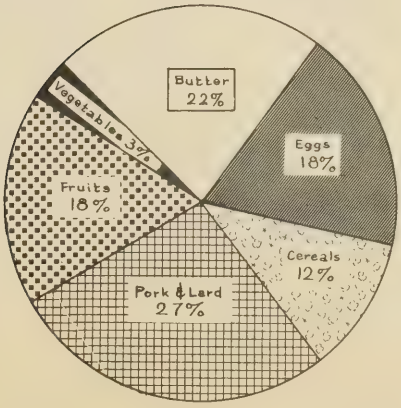
JULY 16 - SEPT. 30, 1939



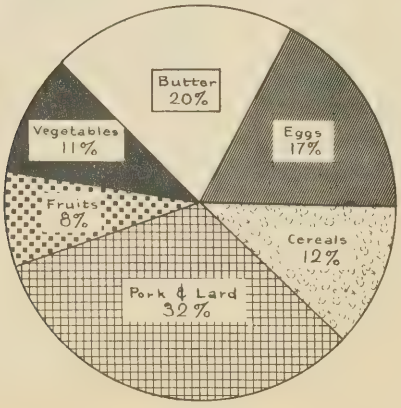
OCT. 1 - DEC. 15, 1939



DEC. 16 - JUNE 10, 1940



JUNE 11 - AUG. 31, 1940



1. PRELIMINARY DATA

USDA - SMA
10/31/40

Use of Stamps in Southern Region

Although there are some differences in the use of blue stamps in the Western, Midwestern and Northeastern Regions, the most marked differences are between the use of blue stamps in these regions and in the Southern Region. In the South about 8 cents out of each dollar were used for butter during the period June 11 to August 31, 1940, or about half as much as in the Northeastern Region. About 9 cents out of each dollar were used for eggs in the South during these recent months, or 5 to 8 cents less than in the other regions. On the other hand, cereal products took 30 cents or more out of each dollar in the South as compared with 12 to 16 cents in the other regions. About 16 cents out of each dollar were spent for fruits and vegetables in recent months and about 37 cents on pork products.

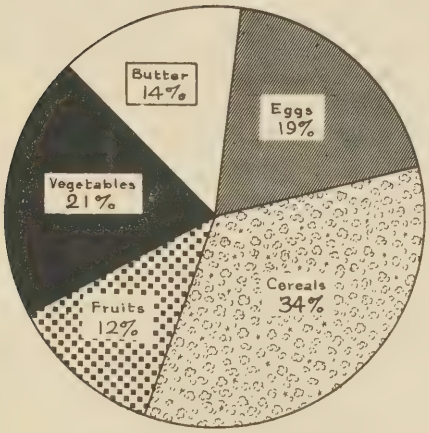
Figure 8 sets forth the changes by commodity periods. More detailed information is given in Appendix Tables 6 and 11.

FIGURE 8

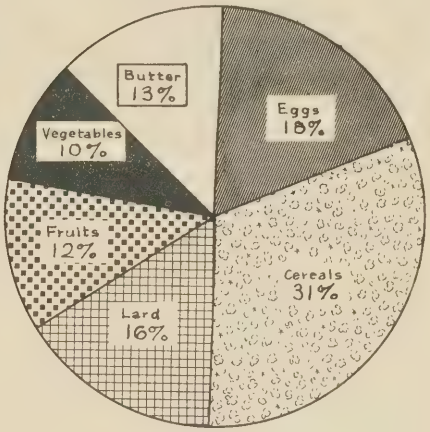
ESTIMATED PERCENTAGE USE OF BLUE STAMPS BY COMMODITY PERIODS FOR THE SOUTHERN REGION

AUGUST 1939 - AUGUST 1940[1]

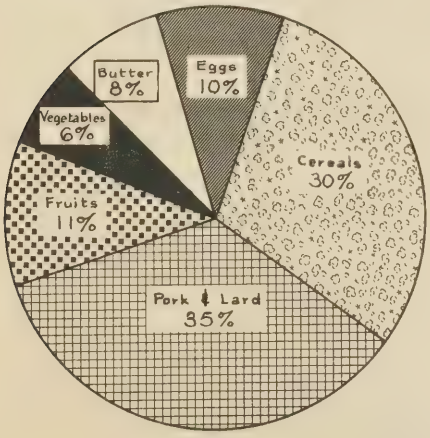
AUG. 1 - SEPT. 30, 1939



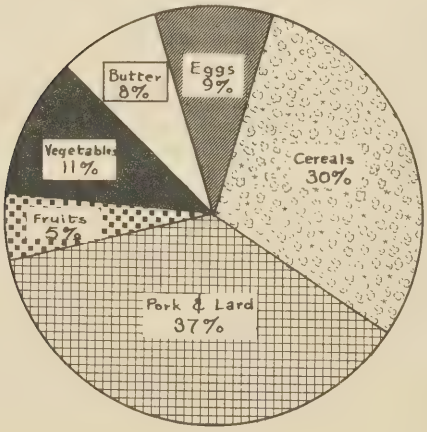
OCT. 1 - DEC. 15, 1939



DEC. 16 - JUNE 10, 1940



JUNE 11 - AUG. 31, 1940



1. PRELIMINARY DATA

U S D A - S M A
10 / 31 / 40

Value of Surplus Products Purchased with Blue Stamps

Previous charts have indicated the way in which the new purchasing power was used, but have not indicated the actual value of commodity purchases or the quantities of products moved each month with the blue stamp purchasing power.

Figure 9 gives national estimates for purchases of individual commodities or commodity groups. Blue stamp expenditures for butter have increased markedly, so that by August 1940 they exceeded $600,000 per month. A similar increase in blue stamp expenditures for eggs has taken place. Expenditures for cereals exceeded $600,000 per month by June, and exceeded $700,000 per month by August 1940.

Expenditures for vegetables reflect seasonal factors, as well as stamp plan expansion. They were more than doubled in July when they exceeded $400,000, increased to over $575,000 in August, and totaled nearly $500,000 in September.

Expenditures for prunes and raisins reached nearly $100,000 per month in June 1940 and exceeded this amount in September. More than $200,000 in blue stamp funds were spent for oranges during August and September 1940 and even larger amounts were spent when both oranges and grapefruit were on the list during April and May 1940. Depending on the commodities on the list, the expenditures for other fruits, including apples, peaches, and pears, have varied widely. During September 1940 over $300,000 were spent for these commodities.

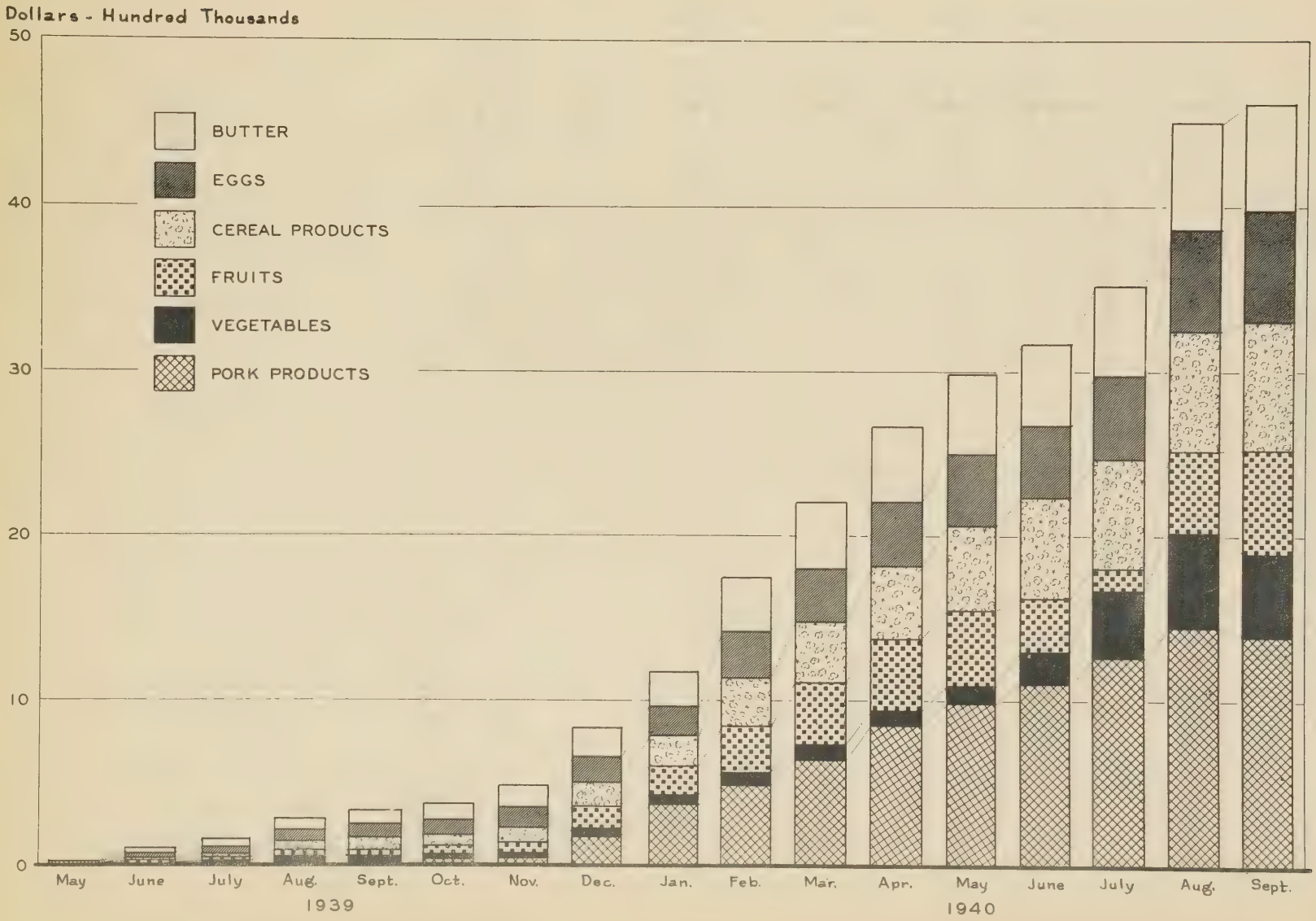
Expenditures for pork products have increased rapidly. By May 1940, a total of nearly 1 million dollars had been spent, and during August and September more than $1,400,000 in blue stamp funds were spent for these products each month.

Detailed information on estimated national expenditures is given in Appendix Table 12. Tables 13 to 16 give estimates for the four regions.

FIGURE 9

ESTIMATED VALUE OF PURCHASES OF SURPLUS COMMODITIES WITH BLUE STAMPS FOR THE ENTIRE COUNTRY, BY MONTHS

MAY 1939 TO SEPTEMBER 1940



USDA - SMA
10/31/40

National Estimates of the Volume of Commodities Purchased with Blue Stamps

As a result of the expanding program, the monthly volume of surplus commodities bought with blue stamp funds also increased markedly. By August 1940 butter purchases were totaling about 2 million pounds per month. More than 2.5 million dozen eggs were secured with blue stamps, and over 20 million pounds of cereals, principally white flour, rice, and corn meal, were purchased. Vegetable purchases totaled about 8.6 million pounds in July, about 13.7 million pounds in August, and 11.2 million pounds in September.

Fruit purchases have varied considerably, depending upon the commodities on the surplus list. From February to May 1940, the monthly purchases varied between 7 and 10 million pounds per month. In August they totaled about 10 million pounds, and in September over 13 million pounds. Orange purchases in September were equal to about 5.2 million pounds. Purchases of apples totaled 6.8 million pounds and the prune and raisin purchases approximated 1.4 million pounds.

The pork and lard purchases increased very rapidly. By April 1940, pork purchases totaled more than 4.4 million pounds and by July the pork purchases exceeded 6 million pounds per month. Lard purchases exceeded 3 million pounds by August 1940.

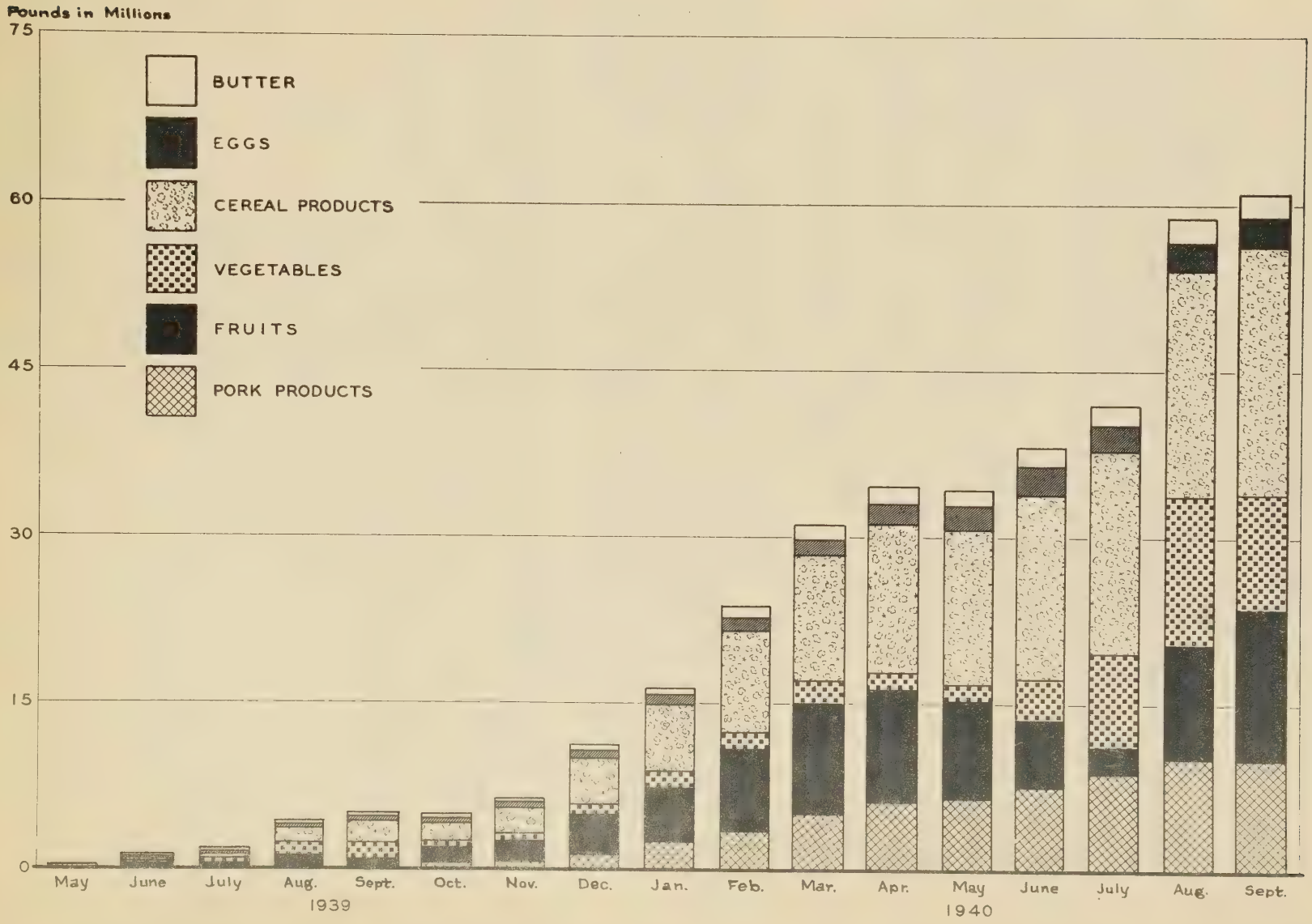
The estimates for the individual commodities and commodity groups indicate the quantities purchased with blue stamps and do not include the additional quantities bought with orange stamps.

Figure 10 illustrates the changes in quantities taken by months from May 1939, to August 1940. Detailed estimates for the country as a whole and for the four regions are given in Appendix Tables 17 to 21.

FIGURE

ESTIMATED TOTAL QUANTITIES OF SURPLUS COMMODITIES PURCHASED IN ALL REGIONS, BY MONTHS

MAY 1939 - SEPTEMBER 1940



U S D A - S M A
10 / 31 / 40

Per Capita Purchases with Blue Stamps

On the basis of reports for areas operating more than one month, preliminary estimates have been made of the average monthly purchases of surplus commodities with blue stamps from January to August 1940. These are illustrated in Figure 11, which gives the average quantities purchased per month per person for commodities on the list for each of the months during the period.

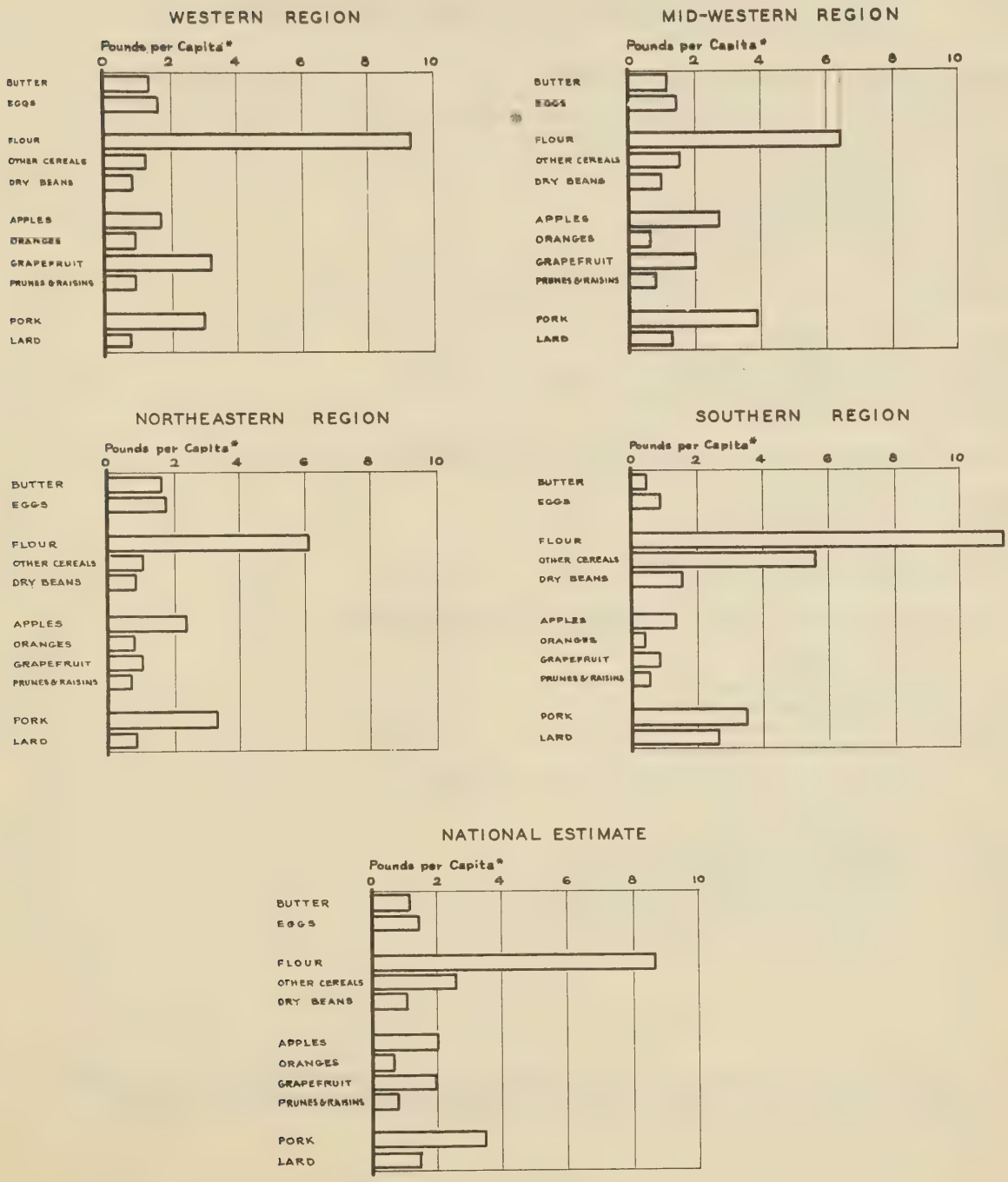
For the country as a whole, butter purchases averaged 1.13 pounds, with variations by regions from .48 pounds in the South to 1.62 pounds in the Northeast. Egg purchases averaged 1.39 dozens per person, with an average of .87 dozen in the South and 1.41 to 1.71 dozens per person per month in the other regions. Flour purchases varied between 6.17 and 11.36 pounds, with the highest per capita purchases in the South. Purchases of other cereal products, including rice, corn meal, and hominy grits, varied between 1.07 pounds and 5.66 pounds, with the highest average in the South.

Monthly apple purchases during this period varied between 1.43 pounds and 2.72 pounds per capita with the highest average in the Midwestern Region. Orange purchases varied between .38 dozen and .90 dozen per person per month. The largest per capita purchases were in the West. On the average, each person secured nearly 2 grapefruit, with lowest purchases in the South and highest purchases in the Western Region. About .74 pounds per capita of prunes and raisins were purchased.

Pork purchases were relatively stable in all parts of the country, averaging in excess of 3 pounds. Lard purchases averaged 1.44 pounds per capita per month, but varied between .76 pounds in the Western Region and 2.62 pounds in the Southern Region.

Detailed information, including monthly estimates, is given in Appendix Tables 22 to 27.

FIGURE 11
ESTIMATED MONTHLY PER CAPITA PURCHASES OF SPECIFIED COMMODITIES WITH BLUE STAMPS
JANUARY - AUGUST 1940



* Eggs and Oranges in Dozens; Grapefruit in Units

1. For Apples, Oranges and Grapefruit only those months used in which the Commodities on list for the full month.

U S D A - S M A
10 / 31 / 40

APPENDIX
STATISTICAL TABLES FOR REFERENCE USE /1

List of Tables

/1 Compiled by Humbert S. Kahle from reports submitted by Myron Schmittlinger, Western Region; Irving A. Morrissett, Jr., Midwestern Region; F. Gordon Straka, Northeastern Region; and Dwight M. Davidson, Jr., Southern Region.

Table 1

Number of Areas in Which the Food Stamp Plan was Operating,
Number of Persons Receiving Stamps, and
Value of Blue Stamps Issued by Months
May 1939 - September 1940

Month	Number of Areas	Number of Persons Receiving Blue Stamps	Value of Blue Stamps Issued	Value of Blue Stamps Per Person
1939				
May	1	20,958	22,473	1.07
June	2	50,985	101,848	2.00
July	3	75,668	158,455	2.09
August	6	136,486	285,413	2.09
September	6	156,339	334,944	2.14
October	8	173,878	371,203	2.13
November	13	220,648	481,148	2.18
December	18	398,853	833,956	2.09
1940				
January	29	569,214	1,176,843	2.07
February	37	852,857	1,745,367	2.05
March	51	1,066,851	2,210,602	2.07
April	61	1,277,282	2,667,051	2.09
May	70	1,393,312	2,986,956	2.14
June	83	1,488,924	3,161,982	2.12
July	99	1,566,622	3,514,649	2.24
August	124	1,916,488	4,501,294	2.35
September	137	2,067,865	4,633,288	2.24

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 2. Estimated Percentage Use of Blue Stamps
in All Regions by Commodity Periods
May 16, 1939 - August 1940 /1

Commodity	Commodity Periods				
	May 16 to July 15 1939	July 16 to Sept. 30 1939	Oct. 1 to Dec. 15 1939	Dec. 16 to June 10 1940	June 11 to Aug. 31 1940
utter	32	24	27	17	15
ggs	32	24	25	15	14
lour	9	14	17	13	12
ther Cereals	1	5	2	4	6
Total Cereals	10	19	19	17	18
ry Beans	3	4	4	3	3
ther Vegetables		15	3	1	8
Total Vegetables	3	19	7	4	11
runes & Raisins /2	2	2	4	3	2
itrus Fruits /3	21			9	4
ther Fruits		12	9	4	2
Total Fruits	23	14	13	16	8
ard			9	5	6
ork				26	28
Total Pork Products			9	31	34
otal	100	100	100	100	100

/1 The list of surplus commodities which are designated by the Secretary of Agriculture is changed from time to time to conform to the crop situation primarily. Consideration is also given to the dietary needs of low income families. The commodity periods shown are periods during which the list was relatively stable.

/2 Raisins were placed on the list October 1.
/3 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration October 31, 1940

Table 3.

Estimated Percentage Use of Blue Stamps
in the Western Region/1 by Commodity Periods
July 3, 1939 - August 1940

Commodity	Commodity Periods				
	July 3 to July 15 1939	July 16 to Sept. 30 1939	Oct. 1 to Dec. 15 1939	Dec. 16 to June 10 1940	June 11 to Aug. 31 1940
Butter	39	30	36	22	17
Eggs	38	26	26	18	16
Flour	13	12	13	12	11
Other Cereals	1	3	1	2	5
Total Cereals	14	15	14	14	16
Dry Beans	4	3	3	2	3
Other Vegetables		12	2	0.4	10
Total Vegetables	4	15	5	2	13
Prunes & Raisins/2	3	2	5	3	3
Citrus Fruits/3	2			10	3
Other Fruits		12	10	3	2
Total Fruits	5	14	15	16	8
Lard			4	3	3
Pork				25	27
Total Pork Products			4	28	30
Total	100	100	100	100	100

/1 Includes the following states: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.
/2 Raisins were placed on the list October 1.
/3 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 4. Estimated Percentage Use of Blue Stamps in the Midwestern Region /1 by Commodity Periods June 3, 1939 - August 1940

Commodity	Commodity Periods				
	June 3 to July 15 1939	July 16 to Sept. 30 1939	Oct. 1 to Dec. 15 1939	Dec. 16 to June 10 1940	June 11 to Aug. 31 1940
Butter	29	21	25	16	17
Eggs	35	22	25	14	14
Flour	10	11	14	10	8
Other Cereals	2	4	2	3	4
Total Cereals	12	15	16	13	12
Dry Beans	5	5	4	3	3
Other Vegetables		18	4	1	7
Total Vegetables	5	23	8	4	10
Prunes & Raisins /2	2	2	4	3	2
Citrus Fruits /3	17			10	5
Other Fruits		17	12	6	4
Total Fruits	19	19	16	19	11
Lard			10	5	5
Pork				29	31
Total Pork Products			10	34	36
Total	100	100	100	100	100

/1 Includes the following states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
/2 Raisins were placed on the list October 1.
/3 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration October 31, 1940

Table 5. Estimated Percentage Use of Blue Stamps in the Northeastern Region /1 by Commodity Periods May 16, 1940 - August 1940

Commodity	Commodity Periods				
	May 16 to July 15 1939	July 16 to Sept. 30 1939	Oct. 1 to Dec. 15 1939	Dec. 16 to June 10 1940	June 11 to Aug. 31 1940
Butter	33	31	33	22	20
Eggs	31	28	30	18	17
Flour	8	9	15	10	9
Other Cereals	1	2	1	2	3
Total Cereals	9	11	16	12	12
Dry Beans	2	2	2	2	2
Other Vegetables		17	3	1	9
Total Vegetables	2	19	5	3	11
Prunes & Raisins /2	2	1	4	3	2
Citrus Fruits /3	23			11	5
Other Fruits		10	6	4	1
Total Fruits	25	11	10	18	8
Lard			6	3	3
Pork				24	29
Total Pork Products			6	27	32
Total	100	100	100	100	100

/1 Includes the following states: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia, and the District of Columbia.
/2 Raisins were placed on the list October 1.
/3 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration October 31, 1940

Table 6. Estimated Percentage Use of Blue Stamps in the Southern Region /1 by Commodity Periods August 1, 1939 - August 31, 1940

Commodity	Commodity Periods			
	Aug. 1 to Sept. 30 1939	Oct. 1 to Dec. 15 1939	Dec. 16 to June 10 1940	June 11 to Aug. 31 1940
Butter	14	13	8	8
Eggs	19	18	10	9
Flour	24	25	21	20
Other Cereals	10	6	9	10
Total Cereals	34	31	30	30
Dry Beans	7	7	5	5
Other Vegetables	14	3	1	6
Total Vegetables	21	10	6	11
Prunes & Raisins /2	3	4	2	2
Citrus Fruits /3			5	2
Other Fruits	9	8	4	1
Total Fruits	12	12	11	5
Lard		16	10	12
Pork			25	25
Total Pork Products		16	35	37
Total	100	100	100	100

/1 Includes the following states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.
/2 Raisins were placed on the list October 1.
/3 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 7. Percentage of Total Blue Stamps Expended for Surplus Commodities in All Regions by Months May 16, 1939 - September 1940.

Commodity	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Percentage																
Butter	31	30	30	24	24	26	27	21	17	18	18	17	16	16	15	14	14
Eggs	30	29	30	23	24	24	26	19	15	16	14	15	15	14	14	14	14
Flour	7	9	9	13	17	15	16	15	13	14	14	13	13	14	14	11	11
Other Cereals	1	1	2	5	5	3	2	3	4	3	3	3	4	5	5	5	6
Total Cereals	8	10	11	18	22	18	18	18	17	17	17	16	17	19	19	16	17
Dry Beans	3	3	3	4	5	4	4	3	3	3	3	3	4	3	3	3	3
Other Vegetables			13	15	13	4	3	2	1	1	1	1		2	9	10	8
Total Vegetables	3	3	16	19	18	8	7	5	4	4	4	4	4	5	12	13	11
Prunes & Raisins	3	3	2	2	2	4	4	4	3	3	3	3	3	3	3	2	2
Citrus Fruits /1	25	25	7					5	8	9	10	10	9	7	1	5	5
Other Fruits			4	14	10	10	9	7	4	4	4	3	3	1		4	6
Total Fruits	28	28	13	16	12	14	13	16	15	16	17	16	15	11	4	11	13
Lard						10	9	7	6	5	5	5	5	6	6	6	6
Pork								14	26	24	25	27	28	29	30	26	25
Total Pork Products						10	9	21	32	29	30	32	33	25	36	32	31
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Number of Areas Reporting	1	2	3	6	6	6	6	6	6	7	8	15	15	27	29	30	27

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 8. Percentage of Total Blue Stamps Expended for Surplus Commodities in Western Region by Months July 1939 - September 1940.

Commodity	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Percentage														
Butter	32	31	32	35	36	30	24	24	24	21	18	18	17	15	15
Eggs	31	26	26	25	27	22	16	18	17	18	18	16	17	16	16
Flour	10	9	16	13	13	10	12	12	12	14	11	13	11	10	10
Other Cereals	3	2	4	1	1	1	1	2	1	2	3	4	6	4	4
Total Cereals	13	11	20	14	14	11	13	14	13	16	14	17	17	14	14
Dry Beans	3	2	3	3	4	2	2	2	2	2	3	3	4	3	3
Other Vegetables	13	11	9	3	1	2	1					4	11	11	8
Total Vegetables	16	13	12	6	5	4	3	2	2	2	3	7	15	14	11
Prunes & Raisins	2	2	2	5	5	4	3	3	2	2	3	3	3	3	3
Citrus Fruits /1	1					5	9	10	10	10	10	7	1	3	3
Other Fruits	5	17	8	11	10	7	4	3	4	3	3	1		5	9
Total Fruits	8	19	10	16	15	16	16	16	16	15	16	11	4	11	15
Lard				4	3	3	4	3	3	3	3	3	4	3	2
Pork						14	24	23	25	25	28	28	27	27	27
Total Pork Products				4	3	17	28	26	28	28	31	31	31	30	29
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Number of Areas Reporting	1	1	1	1	1	1	1	2	1	1	3	4	6	6	6

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 9. Percentage of Total Blue Stamps Expended for Surplus Commodities in Midwestern Region by Months June 1939 - September 1940.

Commodity	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Percentage															
Butter	23	23	20	32	24	25	21	16	16	16	16	17	17	18	16	16
Eggs	27	28	22	26	25	28	18	14	15	12	13	14	13	14	14	15
Flour	10	8	9	16	12	11	14	12	11	12	9	9	10	11	6	8
Other Cereals	3	4	4	4	1	2	2	2	3	3	3	2	3	3	4	4
Total Cereals	13	12	13	20	13	13	16	14	14	15	12	11	13	14	10	12
Dry Beans	5	4	4	3	4	4	3	3	3	4	3	3	3	3	2	2
Other Vegetables		16	19	9	6	3	2	2	2	1	1		2	6	10	8
Total Vegetables	5	20	23	12	10	7	5	5	5	5	4	3	5	9	12	10
Prunes & Raisins	4	2	2	2	4	4	4	3	4	4	3	2	3	2	2	2
Citrus Fruits /1	28	8					5	8	10	11	11	10	9	2	6	6
Other Fruits		7	20	8	14	11	8	6	9	9	5	5	1		7	9
Total Fruits	32	17	22	10	18	15	17	17	23	24	19	17	13	4	15	17
Lard					10	12	7	6	5	5	4	4	5	5	5	4
Pork							16	28	22	23	32	34	34	36	28	26
Total Pork Products					10	12	23	34	27	28	36	38	39	41	33	30
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Number of Areas Reporting	1	1	2	2	2	2	2	2	2	2	3	3	6	6	6	5

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 10. Percentage of Total Blue Stamps Expended for Surplus Commodities in Northeastern Region by Months May 16, 1939 - September 1940.

Commodity	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Percentage																
Butter	31	34	32	30	32	36	30	24	24	22	20	22	23	22	21	20	18
Eggs	30	30	30	28	28	30	29	23	20	19	19	17	17	18	17	17	19
Flour	7	8	8	8	12	10	18	14	8	10	11	10	9	10	10	8	9
Other Cereals	1	1	1	2	1	1	1	2	2	2	2	2	3	3	2	3	5
Total Cereals	8	9	9	10	13	11	19	16	10	12	13	12	12	13	12	11	14
Dry Beans	3	2	2	1	2	2	2	2	1	2	2	2	3	3	2	2	4
Other Vegetables			12	18	14	5	3	2	2	2	2	1		2	8	11	8
Total Vegetables	3	2	14	19	16	7	5	4	3	4	4	3	3	5	10	13	12
Prunes & Raisins	3	2	2	1	1	3	4	4	2	2	3	3	3	3	2	2	3
Citrus Fruits /1	25	23	10					8	9	10	10	12	11	7	2	6	6
Other Fruits			3	12	10	7	6	3	3	3	4	5	4	1		2	4
Total Fruits	28	25	15	13	11	10	10	15	14	15	17	20	18	11	4	10	13
Lard						6	7	4	3	3	3	3	3	3	3	3	4
Pork								14	26	25	24	23	24	28	33	26	20
Total Pork Products						6	7	18	29	28	27	26	27	31	36	29	24
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Number of Areas Reporting	1	1	1	1	1	1	1	1	1	1	2	4	3	6	4	5	2

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 11. Percentage of Total Blue Stamps Expended for Surplus Commodities in Southern Region by Months August 1939 - September 1940.

Commodity	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Percentage													
Butter	14	14	12	13	11	9	8	7	7	7	8	7	7	7
Eggs	19	20	18	19	15	13	12	9	9	9	10	9	9	10
Flour	22	25	23	24	21	19	21	21	21	22	21	21	19	19
Other Cereals	10	11	7	7	7	7	8	8	8	10	10	10	10	9
Total Cereals	32	36	30	31	28	26	29	29	29	32	31	31	29	28
Dry Beans	7	8	7	7	5	6	6	6	6	6	5	4	4	4
Other Vegetables	14	12	4	2	2	1	1	1	1		2	8	8	6
Total Vegetables	21	20	11	9	7	7	7	7	7	6	7	12	12	10
Prunes & Raisins	3	3	4	4	3	2	2	2	2	3	3	2	2	2
Citrus Fruits /1					4	5	5	6	5	5	3	1	3	3
Other Fruits	11	7	8	7	7	4	4	4	4	3	1		1	3
Total Fruits	14	10	12	11	14	11	11	12	11	11	7	3	6	8
Lard			17	17	11	9	9	10	10	11	12	12	12	12
Pork					14	25	24	26	27	24	25	26	25	25
Total Pork Products			17	17	25	34	33	36	37	35	37	38	37	37
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Number of Areas Reporting	2	2	2	2	2	2	2	3	3	6	11	13	13	14

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 12. Estimated Value of Purchases of Surplus Commodities
with Blue Stamps for All Regions by Months
May 16, 1939 - September 1940.

Commodity	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of dollars																
Butter	7	31	47	67	81	97	129	178	207	322	402	450	481	500	537	647	635
Eggs	7	30	47	67	79	90	124	160	179	276	320	392	436	436	504	615	675
Flour	2	9	13	37	57	55	78	125	157	240	302	361	386	449	474	486	530
Other Cereals	0.2	1	4	14	18	10	11	23	41	60	70	86	132	160	188	235	250
Total Cereals	2	10	17	51	75	65	89	148	198	300	372	447	518	609	662	721	780
Dry Beans	0.7	3	4	11	16	16	20	27	39	48	63	80	104	111	116	129	153
Other Vegetables			21	43	33	15	12	13	15	22	30	16		84	292	447	343
Total Vegetables	0.7	3	25	54	59	31	32	40	54	70	93	96	104	195	408	576	496
Prunes & Raisins	0.6	3	3	6	7	15	20	32	31	49	61	70	85	94	93	90	107
Citrus Fruits /1	6	25	11					43	90	151	212	260	268	208	37	216	214
Other Fruits			8	40	34	37	44	57	51	83	104	104	107	23		190	307
Total Fruits	6	28	22	46	41	52	64	132	172	283	377	434	460	325	130	496	628
Lard						36	43	55	65	86	106	130	153	184	214	259	272
Pork								121	302	408	541	718	835	913	1,060	1,187	1,147
Total Pork Products						36	43	176	367	494	647	848	988	1,097	1,274	1,446	1,419
Total	22	102	158	285	335	371	481	834	1,177	1,745	2,211	2,667	2,987	3,162	3,515	4,501	4,633

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 13. Estimated Value of Purchases of Surplus Commodities with Blue Stamps for the Western Region by Months July 1939 - September 1940.

Commodity	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of dollars														
Butter	16	23	23	31	52	66	83	179	217	195	184	180	166	159	156
Eggs	15	19	19	22	39	47	55	131	156	172	177	156	173	164	166
Flour	5	6	12	11	20	22	40	91	109	137	108	129	111	106	106
Other Cereals	1	2	2	1	1	2	6	13	12	13	34	37	54	50	39
Total Cereals	6	8	14	12	21	24	46	104	121	150	142	166	165	156	145
Dry Beans	1	1	2	3	5	5	8	11	14	14	26	28	35	35	32
Other Vegetables	7	8	7	2	3	3	2	5	6	4		47	112	110	81
Total Vegetables	8	9	9	5	8	8	10	16	20	18	26	75	147	145	113
Prunes & Raisins	1	1	1	5	7	9	9	20	20	23	32	31	32	30	28
Citrus Fruits /1	1					11	32	72	95	99	99	71	9	38	37
Other Fruits	2	12	6	9	16	16	12	24	27	24	30	6		58	99
Total Fruits	4	13	7	14	23	36	53	116	142	146	161	108	41	126	164
Lard				4	5	8	12	25	28	28	26	26	36	35	24
Pork				0	0	29	84	174	225	241	287	279	269	289	289
Total Pork Products				4	5	37	96	199	250	269	313	305	305	324	313
Total	49	72	72	88	148	218	343	745	906	950	1,003	990	997	1,074	1,057

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 14. Estimated Value of Purchases of Surplus Commodities with Blue Stamps for the Midwestern Region by Months June 1939 to September 1940.

Commodity	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of dollars															
Butter	8	9	10	18	22	33	56	54	64	85	115	119	122	154	242	220
Eggs	9	11	10	19	24	36	50	47	57	62	97	98	96	127	205	204
Flour	3	3	4	12	11	15	39	41	44	63	63	65	76	94	97	105
Other Cereals	1	2	2	3	2	2	4	6	9	14	19	18	23	25	58	61
Total Cereals	4	5	6	15	13	17	43	47	53	77	82	83	99	119	155	166
Dry Beans	2	2	2	5	4	6	9	11	12	18	21	22	23	26	31	32
Other Vegetables	0	6	9	13	5	4	4	5	7	10	5		12	56	154	116
Total Vegetables	2	8	11	18	9	10	13	16	19	28	26	22	35	82	185	148
Prunes & Raisins	1	1	1	2	4	5	11	10	15	23	19	18	23	24	23	30
Citrus Fruits /1	10	3					13	26	41	58	79	75	63	15	95	84
Other Fruits	0	3	10	13	14	15	22	20	36	46	35	29	6		100	129
Total Fruits	11	7	11	15	18	20	46	56	92	127	133	122	92	39	218	243
Lard					9	15	19	18	21	24	32	31	37	43	68	58
Pork							43	93	84	121	223	239	252	317	409	356
Total Pork Products					9	15	62	111	105	145	255	270	289	360	477	414
Total	34	40	48	85	95	131	270	331	390	524	708	714	733	881	1,482	1,395

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 15. Estimated Value of Purchases of Surplus Commodities with Blue Stamps for the Northeastern Region by Months May 16, 1939 - September 1940.

Commodity	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of dollars																
Butter	7	23	22	22	25	31	30	34	41	46	66	100	123	127	147	167	168
Eggs	7	21	21	21	22	26	29	32	33	40	62	77	96	100	120	147	184
Flour	2	6	5	6	10	9	18	21	15	21	35	45	50	57	73	71	86
Other Cereals	0.2	0.3	1	1	1		1	2	3	3	6	11	13	15	16	22	43
Total Cereals	2	6	6	7	11	9	19	23	18	24	41	56	63	72	89	93	129
Dry Beans	0.7	1	1	1	1	2	2	2	3	3	5	11	15	14	13	18	35
Other Vegetables	0	0	8	14	12	4	3	3	3	5	7	3		13	59	91	79
Total Vegetables	0.7	1	9	15	13	6	5	5	6	8	12	14	15	27	72	109	114
Prunes & Raisins	0.6	1	1	1	1	3	4	5	4	5	8	14	15	16	16	17	27
Citrus Fruits /1	6	16	7					10	16	19	33	54	60	41	9	54	60
Other Fruits	0	0	3	9	8	6	6	5	5	7	12	25	23	4		19	36
Total Fruits	6	17	11	10	9	9	10	20	25	31	53	93	98	61	25	90	123
Lard						5	5	5	5	6	8	16	16	20	24	26	41
Pork								21	44	52	78	104	129	159	236	221	194
Total Pork Products						5	5	26	49	58	86	120	145	179	260	247	235
Total	22	68	69	75	80	86	98	140	172	207	320	460	540	566	713	853	953

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 16. Estimated Value of Purchases of Surplus Commodities with Blue Stamps for the Southern Region by Months August 1939 - September 1940.

Commodity	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of dollars													
Butter	13	14	12	14	23	29	33	35	39	53	71	70	79	91
Eggs	17	19	18	20	31	43	47	40	47	66	84	84	99	121
Flour	20	25	24	25	45	62	85	96	116	163	187	195	212	233
Other Cereals	9	10	7	7	14	26	33	38	43	67	85	93	105	108
Total Cereals	29	35	31	32	59	88	118	134	159	230	272	288	317	341
Dry Beans	6	8	7	8	11	18	23	26	34	41	46	41	45	54
Other Vegetables	13	12	5	2	3	5	5	6	4		12	67	91	67
Total Vegetables	19	20	12	10	14	23	28	32	38	41	58	108	136	121
Prunes & Raisins	3	3	4	4	7	7	9	10	12	20	24	22	20	22
Citrus Fruits /1					8	17	19	25	28	34	33	3	28	33
Other Fruits	10	7	8	8	13	14	16	20	21	25	7		15	43
Total Fruits	13	10	12	12	28	38	44	55	61	79	64	25	63	98
Lard			17	17	23	29	35	47	55	80	101	111	130	148
Pork			0	0	28	82	98	118	149	181	223	238	268	308
Total Pork Products			17	17	51	111	133	165	204	261	324	349	398	456
Total	91	98	102	105	206	332	403	461	548	730	873	924	1,092	1,228

/1 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 17. Estimated Total Quantities of Surplus Commodities
Purchased in all Regions by Months
May 16, 1939 - September 1940.

Commodity	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of pounds /1																
Butter	26	112	171	241	259	302	397	562	626	946	1,268	1,462	1,568	1,604	1,710	2,045	1,995
Eggs /2	28	128	182	255	293	315	434	674	757	1,043	1,465	1,888	2,030	2,065	2,194	2,558	2,531
Flour	45	261	409	1,109	1,560	1,484	2,069	3,538	5,016	7,632	9,590	11,344	10,740	12,915	13,671	14,658	15,856
Other Cereals	3	40	86	412	460	334	391	735	1,215	1,693	1,962	2,320	3,328	4,030	4,737	5,841	6,493
Total Cereals	48	301	495	1,521	2,020	1,818	2,460	4,273	6,231	9,325	11,552	13,664	14,068	16,945	18,408	20,499	22,349
Dry Beans	16	64	74	167	209	204	280	383	574	702	939	1,217	1,498	1,702	1,825	2,016	2,362
Other Vegetables			423	1,148	1,292	467	506	539	567	854	1,038	392		2,150	6,830	11,718	8,886
Total Vegetables	16	64	497	1,315	1,501	671	786	922	1,141	1,556	1,977	1,609	1,498	3,852	8,655	13,734	11,248
Prunes & Raisins	7	27	35	70	79	185	252	403	377	603	774	876	1,137	1,255	1,227	1,150	1,379
Citrus Fruits /3	129	493	210					1,377	3,300	4,835	6,787	6,892	5,641	4,381	955	5,175	5,278
Other Fruits			120	825	717	1,227	1,484	1,613	1,319	1,997	2,536	2,248	2,162	383		4,011	6,839
Total Fruits	136	520	365	895	796	1,412	1,736	3,493	4,996	7,435	10,097	10,016	8,940	6,019	2,182	10,336	13,496
Lard						328	428	583	744	1,025	1,290	1,597	1,759	2,262	2,585	3,172	3,249
Pork								746	1,902	2,566	3,437	4,421	4,644	5,268	6,053	6,630	6,108
Total Pork Products						328	428	1,329	2,646	3,591	4,727	6,018	6,403	7,530	8,638	9,802	9,357

/1 Conversion factors used - oranges 4.7 lbs. per dozen, grapefruit 1.13 lbs. per unit, carrots and beets 1 lb. per bunch, celery .75 lb. per stalk, corn 7 lbs. per dozen ears, and lettuce .75 lb. per head.

/2 Thousands of dozens.

/3 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 18. Estimated Total Quantities of Surplus Commodities
Purchased in Western Region by Months
July 1939 - September 1940.

Commodity	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of pounds														
Butter	56	81	71	96	161	208	253	519	685	654	603	559	485	464	460
Eggs /1	54	68	65	77	147	218	240	527	707	815	806	697	691	610	565
Flour	162	207	357	321	568	688	1,560	3,473	4,113	5,427	3,429	3,944	3,453	3,404	3,354
Other Cereals	36	40	44	28	34	44	79	201	183	245	546	608	1,409	953	769
Total Cereals	198	247	401	349	602	732	1,639	3,674	4,296	5,672	3,975	4,552	4,502	4,357	4,123
Dry Beans	23	22	32	34	75	68	104	160	210	190	367	407	560	572	537
Other Vegetables	194	281	250	152	205	205	97	281	268	119		1,303	2,878	2,930	2,063
Total Vegetables	217	303	282	186	280	273	201	441	478	309	367	1,710	3,438	3,502	2,600
Prunes & Raisins	15	17	21	70	116	135	118	246	249	314	500	486	494	452	439
Citrus Fruits /2	16					406	1,450	2,582	3,814	3,451	2,642	1,853	395	1,509	1,622
Other Fruits	49	311	153	459	700	599	345	627	802	466	555	96		1,508	2,411
Total Fruits	80	328	174	529	816	1,140	1,913	3,455	4,865	4,231	3,697	2,435	889	3,469	4,472
Lard				31	48	71	125	260	296	320	275	287	386	393	276
Pork						149	446	994	1,262	1,387	1,310	1,295	1,301	1,230	1,335
Total Pork Products				31	48	220	571	1,254	1,558	1,707	1,585	1,582	1,687	1,623	1,611

/1 Thousands of dozens.
/2 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 19. Estimated Total Quantities of Surplus Commodities
Purchased in Midwestern Region by Months
June 1939 - September 1940.

Commodity	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of pounds															
Butter	28	34	36	63	73	103	182	167	196	272	372	397	404	526	795	724
Eggs /1	48	54	49	85	95	133	229	221	229	329	517	497	499	605	940	815
Flour	97	93	126	284	291	353	1,041	1,282	1,275	1,938	1,811	1,750	2,304	2,730	2,917	3,321
Other Cereals	31	35	41	75	48	67	117	181	240	337	454	421	496	528	1,298	1,364
Total Cereals	128	128	167	359	339	420	1,158	1,463	1,515	2,275	2,265	2,171	2,800	3,258	4,215	4,685
Dry Beans	26	25	30	63	55	78	124	162	171	265	352	351	384	405	471	498
Other Vegetables		109	211	347	124	129	122	175	236	338	109		168	1,005	4,184	3,068
Total Vegetables	26	134	241	410	179	207	246	337	407	603	461	351	552	1,410	4,655	3,566
Prunes & Raisins	12	8	12	19	46	52	132	132	190	312	248	219	277	286	252	354
Citrus Fruits /2	218	78					408	816	1,120	1,483	1,724	1,364	1,168	324	2,044	1,640
Other Fruits		45	170	218	325	375	494	451	784	916	769	532	79		1,757	2,359
Total Fruits	230	131	182	237	371	427	1,034	1,399	2,094	2,711	2,741	2,115	1,524	610	4,053	4,353
Lard					85	152	198	200	239	291	394	379	469	560	892	737
Pork							290	622	562	800	1,380	1,398	1,535	1,830	2,401	1,931
Total Pork Products					85	152	488	822	801	1,091	1,774	1,777	2,004	2,390	3,293	2,668

/1 Thousands of dozens.
/2 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 20. Estimated Total Quantities of Surplus Commodities
Purchased in Northeastern Region by Months
May 16, 1939 - September 1940.

Commodity	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of pounds																
Butter	26	84	82	80	82	97	91	102	120	134	206	317	400	410	471	526	510
Eggs /1	28	80	74	63	65	72	78	105	131	132	235	314	394	415	472	544	649
Flour	45	164	154	184	239	213	429	524	426	519	887	1,119	1,250	1,467	2,019	1,951	2,094
Other Cereals	3	8	15	25	23	11	22	43	54	57	97	187	215	276	288	393	875
Total Cereals	48	172	169	209	262	224	451	567	480	576	984	1,306	1,465	1,743	2,307	2,344	2,969
Dry Beans	16	38	26	23	21	30	30	42	48	53	82	174	224	212	214	269	486
Other Vegetables			119	369	430	119	122	121	148	172	221	66		237	1,098	1,870	1,850
Total Vegetables	16	38	145	392	451	149	152	163	196	225	303	240	224	449	1,312	2,139	2,336
Prunes & Raisins	7	15	12	9	9	31	42	54	39	51	84	162	178	185	170	191	313
Citrus Fruits /2	129	271	126					269	444	458	742	997	957	665	169	987	1,274
Other Fruits			26	154	228	269	235	213	219	244	425	595	507	74		350	722
Total Fruits	136	286	164	163	237	300	277	536	702	753	1,251	1,754	1,642	924	339	1,528	2,309
Lard						54	56	51	57	63	92	178	178	229	268	279	433
Pork								124	250	311	469	551	646	861	1,205	1,085	802
Total Pork Products						54	56	175	307	374	561	729	824	1,090	1,473	1,364	1,233

/1 Thousands of dozens.
/2 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 21. Estimated Total Quantities of Surplus Commodities
Purchased in Southern Region by Months
August 1939 - September 1940.

Commodity	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Thousands of pounds													
Butter	44	43	37	42	70	87	96	105	120	168	231	228	259	301
Eggs /1	75	78	71	77	122	165	155	194	242	333	454	426	465	502
Flour	592	680	660	719	1,285	1,748	2,364	2,651	2,988	4,311	5,200	5,469	6,386	7,087
Other Cereals	307	318	247	268	531	900	1,195	1,344	1,433	2,146	2,649	2,872	3,197	3,485
Total Cereals	899	998	907	907	1,816	2,648	3,559	3,995	4,421	6,457	7,849	8,341	9,583	10,572
Dry Beans	92	93	85	97	149	260	318	381	501	107	699	646	705	841
Other Vegetables	287	265	72	49	90	147	164	211	99		442	1,849	2,589	1,816
Total Vegetables	379	358	157	146	239	407	482	592	600	107	1,141	2,495	3,294	2,657
Prunes & Raisins	32	30	38	41	82	89	117	129	152	240	306	277	255	275
Citrus Fruits /2					293	589	651	748	721	679	696	67	639	743
Other Fruits	190	118	173	174	308	305	342	393	418	567	134		396	1,347
Total Fruits	222	148	211	215	682	983	1,110	1,270	1,291	1,486	1,136	344	1,290	2,365
Lard			158	171	263	362	442	611	705	928	1,577	1,371	1,608	1,803
Pork					183	584	699	906	1,103	1,291	1,277	1,717	1,914	2,040
Total Pork Products			158	171	446	946	1,141	1,517	1,808	2,219	2,854	3,088	3,522	3,843

/1 Thousands of dozens.
/2 Oranges and grapefruit.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 22. Average Per Capita Purchases of Specified Commodities with Blue Stamps by Regions January - September 1940 /1

Commodity	Unit	All Regions	Western Region	Midwestern Region	Northeastern Region	Southern Region
		- - - - - - - - - - Average per capita quantity purchased - - - - - - - - -				
Butter	lbs.	1.13	1.38	1.18	1.62	.48
Eggs	doz.	1.39	1.62	1.41	1.71	.87
Flour	lbs.	8.67	9.35	6.45	6.17	11.36
Other Cereals	lbs.	2.50	1.24	1.59	1.07	5.66
Dry Beans	lbs.	1.06	.86	1.00	.84	1.51
Apples /2	lbs.	2.00	1.70	2.72	2.40	1.43
Oranges /3	doz.	.68	.90	.65	.80	.38
Grapefruit /4	units	1.93	3.22	2.03	1.01	.82
Prunes & Raisins	lbs.	.74	.88	.81	.69	.55
Pork	lbs.	3.44	3.02	3.89	3.33	3.56
Lard	lbs.	1.44	.76	1.28	.88	2.62

/1 Average of the per capita figures for each month.
/2 Six months only.
/3 Eight months only.
/4 Five months only.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 23. Estimated Per Capita Purchases of Specified Commodities with Blue Stamps in All Regions January - September 1940 /1

Commodity	Unit	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
		- - - - - - - - - - - - Per capita quantity purchased - - - - - - - - - - - - - -								
Butter	lbs.	1.14	1.16	1.27	1.17	1.15	1.10	1.11	1.07	.97
Eggs	doz.	1.38	1.28	1.46	1.51	1.49	1.42	1.40	1.33	1.23
Flour	lbs.	9.17	9.41	9.57	9.07	7.90	8.86	8.65	7.68	7.75
Other Cereals	lbs.	2.23	2.08	1.96	1.87	2.42	2.78	2.96	3.06	3.11
Total Cereals	lbs.	11.40	11.49	11.53	10.94	10.32	11.64	11.61	10.74	10.86
Dry Beans	lbs.	1.04	.87	.95	.97	1.10	1.17	1.21	1.06	1.14
Prunes & Raisins	lbs.	.69	.74	.78	.69	.84	.86	.80	.60	.67
Oranges	doz.	.81	.74	.85	.73	.59	.58	.12	.58	.57
Grapefruit	units	1.99	2.20	2.42	1.82	1.20	.26			
Apples	lbs.	2.33	2.32	2.48	1.73	1.53	.26		.75	1.58
Lard	lbs.	1.36	1.26	1.29	1.28	1.29	1.55	1.67	1.66	1.58
Pork	lbs.	3.48	3.16	3.44	3.53	3.40	3.62	3.89	3.45	2.97

/1 Preliminary figures based on per capita issuance of blue stamps in areas in operation one month or more.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 24. Estimated Per Capita Purchases of Specified Commodities with Blue Stamps in Western Region January - September 1940 /1

Commodity	Unit	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
		- - - - - - - - - - - - - - Per capita quantity purchased - - - - - - - - - - - - -								
Butter	lbs.	1.68	1.62	1.71	1.51	1.37	1.29	1.15	1.06	1.00
Eggs	doz.	1.60	1.64	1.77	1.88	1.83	1.62	1.63	1.38	1.23
Flour	lbs.	10.51	10.76	10.34	12.49	7.80	9.08	8.18	7.63	7.35
Other Cereals	lbs.	.52	.61	.48	.56	1.24	1.41	2.51	2.13	1.67
Total Cereals	lbs.	11.03	11.37	10.82	13.05	9.04	10.49	10.69	9.76	9.02
Dry Beans	lbs.	.69	.50	.52	.44	.83	.93	1.32	1.32	1.15
Prunes & Raisins	lbs.	.79	.76	.63	.55	1.14	1.13	.97	1.01	.94
Oranges	doz.	1.19	.91	1.09	.96	.78	.79	.20	.72	.75
Grapefruit	units	3.71	3.32	3.94	3.06	2.06	.59			
Apples	lbs.	2.15	1.76	2.00	1.08	1.22	.24		.80	2.00
Lard	lbs.	.83	.88	.74	.74	.62	.66	.91	.90	.60
Pork	lbs.	2.97	3.09	3.15	3.20	2.98	2.99	3.08	2.78	2.91

/1 Preliminary figures based on per capita issuance of blue stamps in areas in operation one month or more.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 25. Estimated Per Capita Purchases of Specified Commodities with Blue Stamps in Midwestern Region January - September 1940 /1

Commodity	Unit	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug	Sept.
		Per capita quantity purchased								
Butter	lbs.	1.07	1.06	1.14	1.10	1.19	1.19	1.33	1.29	1.24
Eggs	doz.	1.42	1.23	1.37	1.53	1.49	1.47	1.29	1.52	1.40
Flour	lbs.	8.14	6.95	8.07	5.34	5.23	6.78	6.98	4.81	5.75
Other Cereals	lbs.	1.17	1.27	1.42	1.36	1.28	1.48	1.82	2.13	2.37
Total Cereals	lbs.	9.31	8.22	9.49	6.70	6.51	8.26	8.80	6.94	8.12
Dry Beans	lbs.	1.04	.93	1.12	1.05	1.05	1.15	1.03	.76	.85
Prunes & Raisins	lbs.	.85	1.01	1.30	.75	.67	.81	.86	.40	.60
Oranges	doz.	.57	.70	.72	.66	.58	.68	.17	.70	.59
Grapefruit	units	2.27	2.47	2.44	1.76	1.22	.23			
Apples	lbs.	2.89	4.02	3.80	2.29	1.60	.24		.92	1.71
Lard	lbs.	1.27	1.28	1.20	1.15	1.14	1.41	1.41	1.42	1.27
Pork	lbs.	3.97	3.03	3.32	4.08	4.19	4.54	4.64	3.89	3.31

/1 Preliminary figures based on per capita issuance of blue stamps in areas in operation one month or more.

Source of data: Economic Analysis Section
Surplus Marketing Administration October 31, 1940

Table 26. Estimated Per Capita Purchases of Specified Commodities with Blue Stamps in Northeastern Region January - September 1940 /1

Commodity	Unit	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
		- - - - - - - - - - - - - - Per capita quantity purchased - - - - - - - - - - - - -								
Butter	lbs.	1.65	1.60	1.65	1.57	1.82	1.69	1.70	1.68	1.26
Eggs	doz.	1.80	1.57	1.89	1.57	1.82	1.71	1.70	1.72	1.60
Flour	lbs.	5.89	6.22	7.14	5.54	5.88	6.04	7.31	6.30	5.20
Other Cereals	lbs.	.74	.68	.78	.92	.95	1.15	1.04	1.24	2.16
Total Cereals	lbs.	6.63	6.90	7.92	6.46	6.83	7.19	8.35	7.54	7.36
Dry Beans	lbs.	.67	.63	.64	.85	1.04	.86	.78	.86	1.20
Prunes & Raisins	lbs.	.54	.61	.68	.80	.79	.75	.67	.59	.78
Oranges	doz.	1.04	.89	.97	.82	.74	.56	.13	.67	.67
Grapefruit	units	1.07	1.13	1.19	.98	.69	.11			
Apples	lbs.	2.95	2.76	3.16	2.61	2.23	.27		.48	.68
Lard	lbs.	.78	.76	.74	.88	.82	.96	.98	.94	1.08
Pork	lbs.	3.45	3.70	3.75	2.74	2.95	3.57	4.36	3.46	2.00

/1 Preliminary figures based on per capita issuance of blue stamps in areas in operation one month or more.

Source of data: Economic Analysis Section
Surplus Marketing Administration

October 31, 1940

Table 27. Estimated Per Capita Purchases of Specified Commodities with Blue Stamps in Southern Region January - September 1940 /1

Commodity	Unit	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
		Per capita quantity purchased								
Butter	lbs.	.51	.46	.46	.43	.45	.52	.49	.47	.49
Eggs	doz.	.96	.74	.84	.86	.88	.96	.91	.85	.81
Flour	lbs.	10.07	11.19	11.50	10.54	11.38	11.76	11.55	11.65	12.60
Other Cereals	lbs.	5.28	5.58	5.83	5.05	5.67	5.96	6.14	5.75	5.70
Total Cereals	lbs.	15.35	16.77	17.33	15.59	17.05	17.72	17.69	17.40	18.30
Dry Beans	lbs.	1.51	1.54	1.64	1.76	1.50	1.58	1.47	1.27	1.36
Prunes & Raisins	lbs.	.51	.56	.55	.52	.66	.70	.57	.45	.44
Oranges	doz.	.57	.50	.52	.40	.27	.31	.03	.25	.26
Grapefruit	units	.63	.66	.67	1.70	.45	.09			
Apples	lbs.	1.67	1.59	.61	1.48	1.50	.31		.61	1.70
Lard	lbs.	2.10	2.09	2.65	2.49	2.45	2.90	2.80	3.11	2.94
Pork	lbs.	3.40	3.32	3.92	3.90	3.42	3.56	3.72	3.48	3.30

/1 Preliminary figures based on per capita issuance of blue stamps in areas in operation one month or more.

Source of data: Economic Analysis Section
Surplus Marketing Administration October 31, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
Surplus Marketing Administration

Purchases of Commodities under the Food Stamp and Direct Purchase Programs, May 1939-May 1941.

by

Arthur E. Browne
Associate Economic Analyst

and

Hugh V. Robinson
Assistant Marketing Specialist

Approved by:

Norman Leon Gold, Chief
Economic Analysis Section

August 8, 1941

FOREWORD

In the hustle of our everyday operations we often overlook the fact that our various programs are all part of one broad program designed to increase farm income and to improve the diets of low-income families. Although operating differently, the Food Stamp Program and direct purchases are both designed to accomplish similar objectives and are closely related to each other.

Sometimes we may lose sight of the relationship between farm and retail prices and it may be difficult for us to notice the precise effect of our over-all activities. For this reason, it is very important that all of us have information available that will give the background for understanding and discussion of our combined efforts.

This report on purchases of commodities under the Food Stamp Program and direct purchase program for May 1939-May 1941, prepared in the Economic Analysis Section, is designed to give us the essential background. It should be read carefully by every member of the Surplus Marketing Administration and should provide a basis for understanding some of the interrelationships of the two types of purchase activities.

J. D. LeCron
Chief, Distribution Division

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Purchases of Commodities under the Food Stamp and Direct Purchase Programs, May 1939-May 1941.

SUMMARY

Since May 1939 programs seeking to increase the domestic market for agricultural foods have been conducted on a larger scale than at any time since 1935. The Food Stamp Program which was begun at that time resulted in a rapid expansion of blue stamp purchases so that by May 1941, nearly 4 million persons in low-income families were buying about 10 million dollars worth of commodities per month. In the two years since 1939, direct purchases have been about twice as heavy as in any previous years since 1935. The completion of two years of these expanded programs for increased domestic consumption provides an occasion to review the course of purchases and prices during the period.

From the farm point of view both food stamp and direct purchase programs have been carried out with common objectives. They have sought to improve farm income by securing better utilization of available food supplies. Over the long run, they seek to assist in establishing a permanently enlarged market and more complete utilization of available land and human resources.

From May 1939 to May 1941, food prices at the retail level rose nearly 9 per cent to reach a point about 2 per cent above the 1935-39 average. For the commodities directly affected by the combined domestic disposal programs retail prices rose nearly 20 per cent to a level slightly under the 1935-39 average. Most of this increase has taken place since January 1941. During the same two-year period, prices to farmers increased by about 32 per cent; proportionately a greater rise than in retail prices. During this period, therefore, it appears that most retail price increases were reflected back to growers and the farmers' share of the retail dollar increased substantially.

Butter: Direct purchases of butter were particularly heavy during the latter half of 1938 and in 1939. They were lighter in 1940 and the early months of 1941 ending in April. Blue stamp purchases which began in May 1939 had reached nearly 3.7 million pounds per month. In the first five months of 1941 blue stamp purchases were nearly three times as large as direct purchases. About 95 per cent of the increase of 11 cents per pound in the retail price from May 1939 to May 1941 was passed on to farmers in the form of an increased price for butterfat. Butter was removed from the blue stamp list effective in June 1941, retail prices having risen to 41 cents per pound in May, the highest May price since 1930.

Eggs: Direct purchases of eggs were relatively small from 1936 to 1939, but in 1940 the volume of purchases was greatly accelerated and has continued during the current year. Blue stamp purchases began in May 1939 and have increased steadily, reaching 100,000 cases in January 1941 and 170,000 cases in the following April. Retail egg prices in 1940 were the lowest since 1933 and farm prices were the lowest since 1934. Rapidly increasing blue stamp purchases, together with heavy direct purchases, reversed the downward trend. The May 1941 retail price of 33.3 cents per dozen was

the highest since 1930, equalling 1935 prices. In the two years prior to May 1941 retail prices rose 5.6 cents per dozen. Nearly 90 per cent of this rise was passed on to farmers, increasing their share of the retail price from 55 to 60 per cent.

Pork products: Lard was placed on the blue stamp list in October 1939 and other pork products in December of that year. Direct purchases also began in December expanding rapidly until June 1940. They were resumed in February 1941 and in May totaled over 140 million pounds. Blue stamp purchases increased slowly until October 1940; since March 1941 they have totaled about 18 million pounds per month, or about 2 per cent of current production. At the beginning of 1940 pork prices were the lowest in 30 years, except for 1932-34, but large direct purchases and expanding blue stamp purchases stabilized prices for the first half of the year, after which prices began to rise. The May 1941 prices were the highest since the peak in September 1939. Normally hog farmers receive about 9.5 cents of every 10-cent increase in retail pork prices, but owing to an unusually small margin between farm and retail prices in 1941 there was a 2-cent per pound greater increase in farm prices than in retail prices from the low point in April 1940 to May 1941.

Oranges: Direct purchases of oranges have been almost continuous since 1937 and blue stamp purchases since May 1939. Direct purchases were particularly heavy in early 1938 and early 1940; they have been unusually light in 1941. Blue stamp purchases were negligible in 1939, but by the close of 1940 they have exceeded 100,000 boxes per month and since March 1941 have totaled 150,000 boxes per month. During the 1940-41 season through May blue stamp purchases exceeded direct purchases by 50 per cent. Prices were low at the beginning of the 1937-38, 1938-39, and 1939-40 seasons, but each year were prevented from falling lower by large direct purchases and in 1940-41 by stamp program purchases. From January 1940, when prices were particularly low, until May 1941 there was a 60-cent per box rise in the retail price of oranges, of which 55 cents was passed on to farmers. This increased the farmers' share of the retail price from 12 to 22 per cent.

White potatoes: Potatoes have been purchased directly from all except the 1936 and 1939 crops. Most purchases were small, except in 1937-38 and 1940-41. Rarely have purchases reached as much as 900,000 bushels per month, but in October 1940 they totaled nearly 2 million bushels. Blue stamp purchases began in October 1940 and have increased rapidly reaching 600,000 bushels in April 1941. In the first 5 months of 1941 they were more than double direct purchases, and together federal purchases represented about 3 per cent of the total quantities marketed in these months. Prices dropped sharply at the opening of the 1940 season but in October were prevented from declining further by heavy purchases.

From October 1940 to May 1941 retail prices of potatoes rose steadily, while farm prices remained practically unchanged, owing probably to the unusually large stocks from the 1940 late crop held unsold in the early months of 1941. In the following two months, however, farm prices rose sharply and in July were $.76 per bushel, an increase of $.24 over the October 1940 level; retail prices in July stood at $1.68 per bushel, an increase of $.56 from the previous October. During this period, therefore, about 45 per cent of the retail price increase was passed on to farmers. This is somewhat less than the usual proportion, as farmers normally receive about 60 per cent of any increase in retail prices.

Dry beans: Direct purchases of dry beans prior to 1938 were small, but in that year and again in 1940 they were very much larger. Since November 1940 the volume of purchases has been about double that in any previous period and in May 1941 they reached the unprecedented figure of nearly 1 million bags (100 lbs.). Blue stamp purchases which were negligible in 1939, increased rapidly in 1940 and by May 1941 exceeded 50,000 bags per month. Dry bean prices dropped to very low levels in early 1939, but with the inauguration of stamp purchases, the outbreak of war in September 1939 and heavy direct purchases early in 1940, prices were stabilized and remained relatively unchanged after January 1940 except for a slight rise in May 1941. In the two years prior to May 1941 the margin between retail and farm prices was unchanged so that all of the 1.1 cent per pound increases in the retail price was returned to farmers. Their share of the retail price, consequently increased from 48 to 57 per cent during this period. Normally about 80 per cent of any retail price increase is passed on to farmers.

Although generally ample supplies of most foods are indicated for domestic consumption during 1941, roughly three-quarters of the total increase in food prices during the past 2 years has occurred since the beginning of the current year. The increase, of course, has been most marked in the case of blue stamp foods, but the proportion of increase occurring within this year is about the same for all other foods. The increase from May to June this year, moreover, is greater than during any previous month in the entire 2 years. Several factors may account for the marked rise this year. National income is rising rapidly and blue stamp purchases are increasing. Moreover, there are heavier direct purchases of most of these foods. Many of the blue stamp foods are included in the Food for Defense Program, which is seeking to increase production and assure ample supplies both for domestic use and for export by supporting prices at levels remunerative to growers.

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Purchases of Commodities under the Food Stamp and Direct Purchase Programs, May 1939-May 1941.

May 1939 not only marked the inauguration of the Food Stamp Program, which has since grown until it now is operating with monthly expenditures approximating 10 million dollars in areas including over one-half of the country's population, but it was also the beginning of a sharply expanded rate of direct purchase activities. This expansion which began for most commodities around May and June 1939 continued through 1939 and 1940 so that total direct purchases for the fiscal year 1939-40 were double those during any of the previous years since 1935 when surplus removal operations were placed under the direction of the Department of Agriculture. In 1939-40 direct purchases totaled 93,000 carloads compared with about 42,000 carloads in 1938-39, approximately the same quantity in 1937-38, and smaller amounts in the two previous years. Purchases in 1940-41 continued at an even greater rate than in 1939-40.

Both food stamp and direct purchases have been carried on with several common objectives in view. Primary among these, of course, is improvement in farm incomes through increasing prices to farmers and by increasing and, in some cases changing, the utilization of the available crop supplies, through increases in the consumption of foodstuffs by thousands of low-income families many of whom have been unable to buy enough to meet even the minimum dietary requirements. Taking a longer range point of view, the objective is to obtain better farm incomes through permanently enlarging and improving the domestic market for foodstuffs and in this way bringing about a better and more complete utilization of the available land and human resources.

By educating families in the use of particularly nutritive foodstuffs through stamp program and direct distribution, it is expected that permanent changes will be made in the consumption habits of low-income families, thus resulting in a substantial enlargement of the domestic market.

Although for many crops the immediate effect of direct purchase and food stamp programs is to increase the amounts of foods going to low-income families by diverting these supplies from other income groups, the long-run effect should be to expand production in response to increased prices and make possible greater consumption by all income groups. Moreover, this will mean utilizing some of our present idle land resources. There are about 360 million acres of land of average quality for harvested crops in the United States, but from 1934 to 1939 only about 331 million acres was being used and in 1940 and 1941 probably an even smaller acreage was in use, leaving an excess of some 30 or 40 million acres. In addition, there are about 12 million working people on American farms today, whereas production could be maintained and even expanded with a considerably smaller number. It appears, therefore, that one of the long-term effects of these programs will be to bring about a more complete utilization of the available land and human resources.

In terms of prices and incomes, farmers in the past 25 years have not experienced the same degree of improvement in living standards that has characterized most other sectors of the economy. Agricultural income payments during the period 1935-39, for example, averaged only about 25 per cent greater than during the years 1910-14, whereas nonagricultural

income payments in 1935-39 were nearly two and one-half times as large as during the earlier period. Moreover, the 52-per cent increase in the per capita income of nonagricultural population from 1910-14 to 1935-39 was twice as great as the increase of 27 per cent for the agricultural population. More recently non-farm income has continued to rise sharply, as shown by the index of nonagricultural income payments, which in May stood at approximately 129 (1935-39=100) while the index of all prices received by farmers in May stood only 5 per cent above the level for the five years 1935-39. (See Table I)

Table I.
Indexes of Nonagricultural Income and of Prices Received by Farmers, by Months, May 1939 through June 1941.

(1935-39=100)

Year and Month	Index of nonagricultural income /1	Index of prices received by farmers /2
1939		
May	103.1	84.7
June	104.6	83.8
July	104.2	83.8
Aug.	106.0	82.9
Sept.	106.0	92.3
Oct.	107.9	91.3
Nov.	108.9	91.3
Dec.	110.3	90.4
1940		
Jan.	110.0	93.2
Feb.	109.2	95.1
Mar.	108.9	91.3
Apr.	108.2	92.3
May	109.5	92.3
June	110.6	89.5
July	111.1	89.5
Aug.	112.5	90.4
Sept.	113.4	91.3
Oct.	113.9	93.2
Nov.	115.5	93.2
Dec.	118.2	95.1
1941		
Jan.	122.3	97.9
Feb.	124.6	97.0
Mar.	125.0	97.0
Apr.	126.1	103.6
May	129.2	105.5
June	/3	111.1

/1 Converted to a 1935-39 base by multiplying by 1.14.
Annual averages for the period 1923-38 were:

1923 99	1926 114	1929 122	1932 77	1935 87	1938 99
1924 103	1927 116	1930 113	1933 71	1936 101	
1925 109	1928 118	1931 98	1934 81	1937 107	

/2 Converted from a 1909-14 base by dividing by 1.062.
Annual average for the period 1923-38 were:

1923 134	1926 137	1929 137	1932 61	1935 102	1938 89
1924 135	1927 131	1930 119	1933 66	1936 107	
1925 147	1928 140	1931 82	1934 85	1937 114	

/3 Not available.

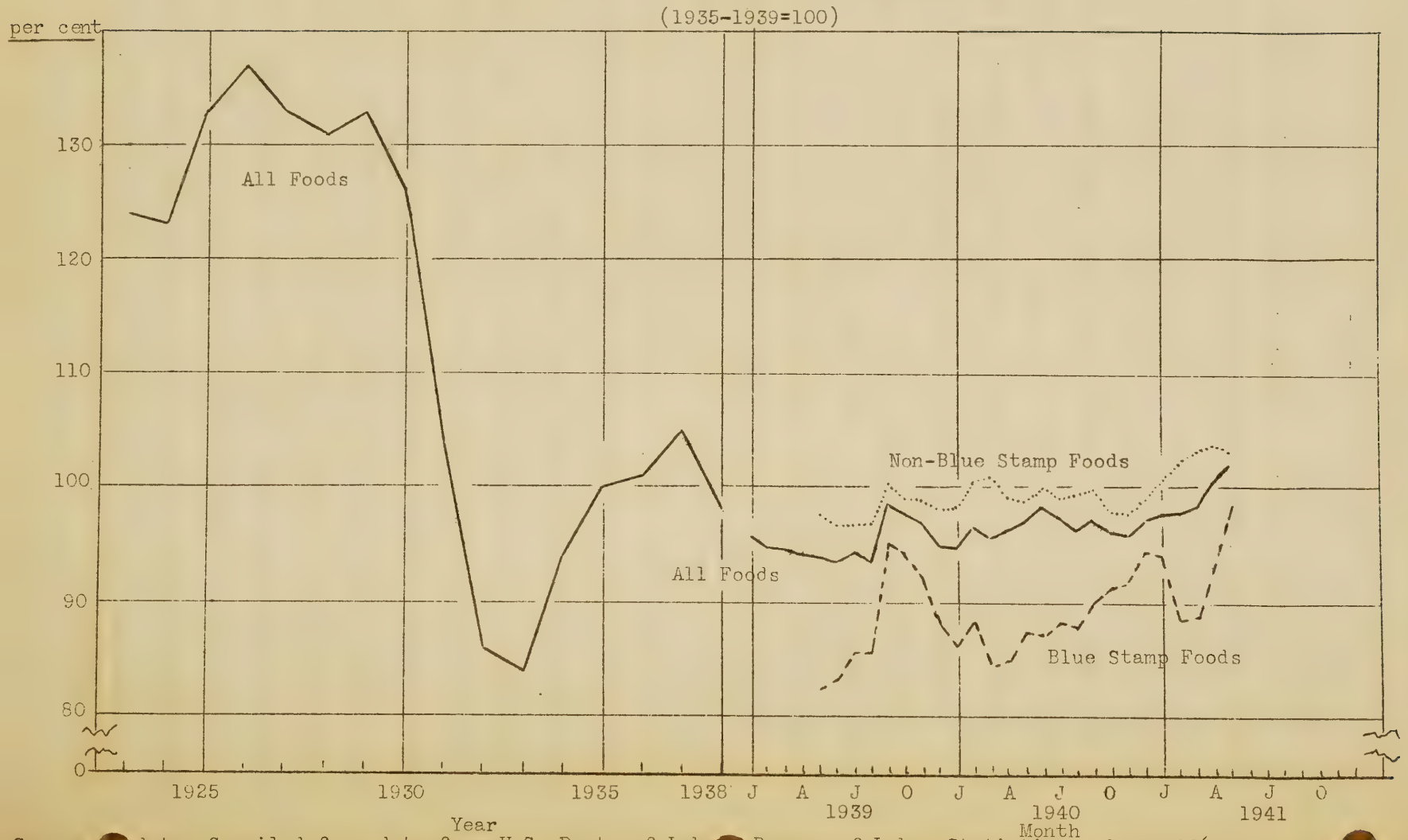
Source of data: Col. 1: Based on data compiled by U.S.D.A., B.A.E., from material supplied by U.S. Dept. of Commerce.
Col. 2: U.S.D.A., A.M.S., Midmonth Price Report (monthly issue:

The Bureau of Labor Statistics cost of living index has risen slightly less than 5 per cent during this period, while the index of retail food prices, also compiled by the Bureau of Labor Statistics, showed an increase of nearly 9 per cent from 94.0 in May 1939 to 102.1/1 in May 1941. As shown in Table II and Figure 1, the current level of all retail food prices is 20 to 30 per cent below the average during the 1920's and is only now approaching the average reached in 1937.

Beginning with May 1939 the index of retail prices of all foods was broken down into two separate series to show the relative changes in the prices of foods on the blue stamp list and those not on the list. (See Table II) One of these indexes was based on the prices of 35 non-blue stamp commodities and the other on 11 representative commodities which have been on the blue stamp list during the whole or the greater part of the past two years. In compiling these indexes price quotations for each commodity were used for every month throughout the two-year period, even though some of the blue stamp foods were off the list for a few months during this time and a few of the non-blue stamp foods were on the list for a short while. As shown in Table II and Figure 1, the index of retail prices of certain blue stamp foods in May 1939, at the inauguration of the food stamp program was still at the low level which when received for all foods in 1932 and 1933 had spelled disaster and chaos for farmers generally. In the two years since May 1939 the index of retail prices of blue stamp foods has increased from 82.4 to 98.6 /1 approximately 20 per cent, while the index of retail prices of non-blue stamp foods has risen to 103.2 /1, or only about 6 per cent.

/1 1935-39=100.

Figure 1.
Index of Retail Prices of All Foods and of
Blue Stamp and Non-Blue Stamp Foods, 1923-1941.



Source data: Compiled from data from U.S. Dept. of Labor, Bureau of Labor Statistics. See Table II.

Table II

Indexes of Retail and Farm Prices of Foods, by Months, May 1939 through June 1941.

(1935-39=100)

Year and Month	Indexes of Retail Prices: All foods /1	Specified non-blue stamp foods /2	Specified blue stamp foods /3	Index of farm price of specified blue stamp foods /4
1939				
May	94.0	97.5	82.4	77.1
June	93.6	96.6	83.4	77.7
July	94.3	96.7	85.6	75.9
August	93.5	96.8	85.6	73.8
Sept.	98.4	100.3	95.1	89.5
Oct.	97.6	99.0	94.2	88.8
Nov.	96.7	98.8	92.0	84.6
Dec.	94.9	98.1	87.9	76.7
1940				
Jan.	94.8	98.1	86.1	77.6
Feb.	96.6	100.5	88.4	82.3
Mar.	95.6	100.9	84.4	75.3
Apr.	96.2	99.1	84.9	78.5
May	97.0	98.8	87.5	81.4
June	98.3	100.0	87.3	82.6
July	97.4	99.1	88.3	80.9
Aug.	96.2	99.4	87.9	81.4
Sept.	97.2	99.8	90.0	84.5
Oct.	96.2	98.0	91.2	90.2
Nov.	95.9	97.7	91.8	88.5
Dec.	97.3	99.0	94.3	92.2
1941				
Jan.	97.8	100.8	90.4	90.5
Feb.	97.9	102.1	88.5	88.3
Mar.	98.4	103.2	88.7	89.5
Apr.	100.6	103.7	93.5	99.0
May	102.1	103.2	98.6	102.0
June	105.9	103.8	105.4	107.4

/1 Annual averages for the years 1923 to 1938 are as follows:

1923	124	:	1926	137	:	1929	133	:	1932	86	:	1935	100	:	1938	98
1924	123	:	1927	132	:	1930	126	:	1933	84	:	1936	101	:		
1925	133	:	1928	131	:	1931	104	:	1934	94	:	1937	105	:		

/2 Includes macaroni, corn flakes, rolled oats, white, whole wheat and rye bread, vanilla wafers, soda crackers, round steak, rib roast, chuck roast, veal cutlets, lamb products, roasting chickens, canned salmon, cheese, fluid milk, evaporated milk, apples, bananas, green beans, cabbage, carrots, lettuce, potatoes, spinach, sweet potatoes, canned peaches and pineapple, canned corn, peas and tomatoes, coffee, tea, shortening, salad dressing, oleomargarine, peanut butter and sugar.

/3 Includes wheat flour, corn meal, rice, pork products including lard, butter, eggs, oranges, dried prunes, dry beans, onions.

/4 Includes wheat, corn, rice, hogs, butterfat, eggs, oranges, apples, dry beans.

Source of data: Compiled from data in U. S. Dept. of Labor, Bureau of Labor Statistics, Retail Prices (monthly issues); U. S. Dept. of Agric., A.M. Midmonth Price Report (monthly issues); and U. S. Dept. of Agric. B.A.E., Price Spreads Between the Farmer and the Consumer (month issues).

A similar index of farm prices of certain blue stamp foods also was prepared, as shown in Table II. A comparison with the index of retail prices of blue stamp commodities indicates that the rise in farm prices since May 1939 has been relatively greater than the increase in retail prices. In May 1939 the farm price index stood at 77.1 /1 and the retail price index at 82.4. Two years later in May 1941, the farm price index has risen to 102.0, an increase of over 32 per cent, while the retail price index had risen to 98.6, an increase of approximately 20 per cent.

A second group of indexes showing retail prices of non-blue stamp and blue stamp commodities also was prepared (See Table III). These indexes differ from those in Table II, in that commodities were included in the blue stamp index only during months when they were actually on the list; during all other periods they were included in the non-blue stamp commodity index. Although the indexes vary slightly from month to month, there appear to be no major differences between the two groups up to May 1941. /2

/1 1935-39=100.

/2 A rather startling change took place between the two retail price indexes in June, 1941. Butter had been deleted from the blue stamp list on June 1. However, it was used in the price index shown in Table II. Rice which was removed from the blue stamp list in April, and onions which were removed in May, also were included in the index shown in Table II. For June, this index increased to 105.4 per cent as compared to the over-all price index of 105.9 and 103.8 for certain non-surplus foods. However, the index showing only those commodities on the list was 101.3 per cent in June while the index of foods not on the list was 106.2

Table III
Indexes of Retail Prices of Certain Foods
by Months, May 1939 through June 1941.

(1935-39=100)

Year and month	Indexes of Retail Prices		
	All foods	Food not on blue stamp list /1	Foods while on blue stamp list /2
	1	2	3
1939			
May	94.0	96.9	80.9
June	93.6	96.0	83.1
July	94.3	95.9	86.5
Aug.	93.5	94.7	86.8
Sept.	98.4	99.0	95.8
Oct.	97.6	98.4	91.5
Nov.	96.7	96.9	94.5
Dec.	94.9	98.1	87.0
1940			
Jan.	94.8	98.5	86.0
Feb.	96.6	100.7	88.0
Mar.	95.6	100.9	84.7
Apr.	96.2	99.6	85.7
May	97.0	100.4	86.1
June	98.3	101.6	89.5
July	97.4	100.6	89.0
Aug.	96.2	99.3	88.3
Sept.	97.2	99.7	89.3
Oct.	96.2	97.9	89.8
Nov.	95.9	98.4	88.8
Dec.	97.3	99.4	92.2
1941			
Jan.	97.8	100.5	91.0
Feb.	97.9	101.9	89.1
Mar.	98.4	103.1	89.4
Apr.	100.6	103.5	94.0
May	102.1	103.7	97.1
June	105.9	106.2	101.3

/1 Includes each month all foods which were not on the blue stamp list during that month and for which retail prices are reported by the Bureau of Labor Statistic

/2 Includes each month only those foods actually on the blue stamp list during the month and for which prices are reported.

Source of data: Compiled from data in United States Department of Labor, Bureau of Labor Statistics, Retail Prices (monthly issues).

The important fact to be drawn from the retail price rises which have occurred in the past two years, bringing up the level of all food prices about 9 per cent since May 1939, non-blue stamp foods about 6 per cent, and blue stamp foods approximately 20 per cent, is that the bulk of these increases have been returned to farmers. An examination of the margin between farm and retail prices of several foodstuffs, which in recent months have accounted for nearly 75 per cent of the blue stamp dollar, indicates that for most of these foods the margin is relatively inflexible, regardless of the level of prices. This means that the farmer's return is not a fixed percentage of the retail price, but rather it becomes a larger percentage as retail prices rise. The greater part of the price increases which have taken place in the past two years, in part owing to the inauguration of the food stamp program and a heavier scale of direct purchases, therefore, have been passed on to farmers and have resulted in substantial improvement in farm returns.

An examination of some of the more important blue stamp commodities will indicate the general relationship between purchases and price changes and the proportion of the retail prices which reach farmers.

Butter: Relatively small direct purchases of butter were made by the Surplus Marketing Administration in 1935, 1936 and 1937, as shown in Table IV and Figure 2. Beginning in February 1938 a series of purchases began which continued uninterruptedly through August 1940, except for one month, in July 1938. The volume of purchases increased rapidly averaging about 9 million pounds per month in the latter half of 1938 and reaching a peak of over 31 million pounds in January 1939. Purchases continued at a heavy rate through June 1939, but following this they dropped sharply and

Figure 2.
Comparison of Retail and Farm Prices of Butter
with Surplus Marketing Administration Purchases
January 1935-May 1941.

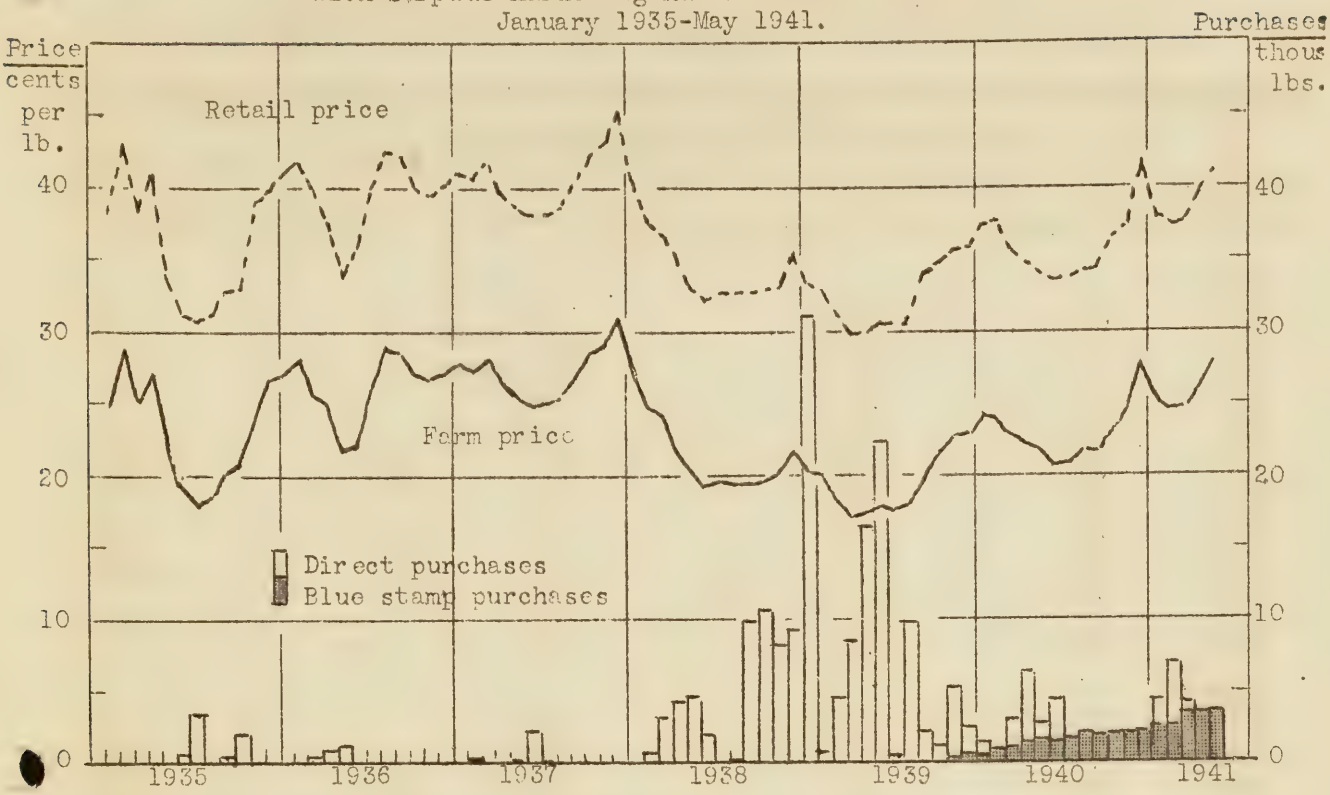


Figure 3.
Relation Between Retail and Farm Prices of Butter,
By Months, January 1935-May 1941

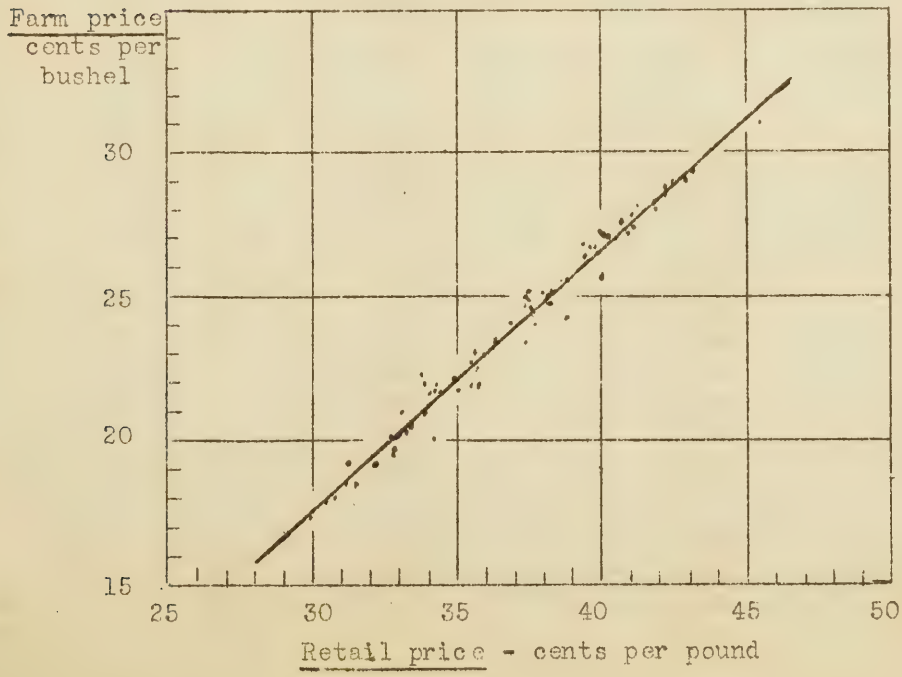


Table IV
Comparison of Retail Prices of Butter, Farm Prices of Butterfat and Direct and Blue Stamp Purchases of Butter by the Surplus Marketing Administration, by Months, January 1935 through May 1941

Year and Month	Prices			Purchases		
	Retail	Farm price for equiv. quantity of butterfat	Margin between farm and retail	Direct	Stamp	Total
	1	2	3	4	5	6
	- cents per pound -			- thous. pounds -		
1935						
Jan.	38.3	24.7	13.6	-	-	-
Feb.	43.0	29.0	14.0	-	-	-
Mar.	38.3	25.2	13.1	-	-	-
Apr.	41.1	27.3	13.8	-	-	-
May	33.8	22.2	11.6	-	-	-
June	31.3	19.2	12.1	798	-	798
July	30.8	18.0	12.8	3,494	-	3,494
Aug.	31.2	18.5	12.7	-	-	-
Sept.	32.8	20.1	12.7	633	-	633
Oct.	33.1	20.9	12.2	2,129	-	2,129
Nov.	38.8	24.2	14.6	-	-	-
Dec.	39.8	26.7	13.1	-	-	-
1936						
Jan.	40.9	27.1	13.8	-	-	-
Feb.	41.8	28.2	13.6	-	-	-
Mar.	40.0	25.6	14.4	627	-	627
Apr.	37.5	25.2	12.3	1,000	-	1,000
May	33.9	21.9	12.0	1,324	-	1,324
June	35.7	22.4	13.3	-	-	-
July	40.0	26.4	13.6	-	-	-
Aug.	42.5	28.9	13.6	-	-	-
Sept.	42.3	28.7	13.6	-	-	-
Oct.	40.1	27.1	13.0	-	-	-
Nov.	39.5	26.8	12.7	-	-	-
Dec.	40.0	27.2	12.8	-	-	-
1937						
Jan.	41.1	27.7	13.4	-	-	-
Feb.	40.7	27.4	13.3	393	-	393
Mar.	41.8	28.2	13.6	-	-	-
Apr.	39.6	26.7	12.9	-	-	-
May	38.7	25.5	13.2	249	-	249
June	38.2	24.9	13.3	2,349	-	2,349
July	38.3	25.1	13.2	23	-	23
Aug.	38.8	25.5	13.3	-	-	-
Sept.	40.7	27.0	13.7	-	-	-
Oct.	42.3	28.4	13.9	-	-	-
Nov.	43.2	29.3	13.9	-	-	-
Dec.	45.5	31.0	14.5	-	-	-
1938						
Jan.	40.4	27.1	13.3	-	-	-
Feb.	37.6	24.7	12.9	725	-	725
Mar.	36.9	24.1	12.8	3,177	-	3,177
Apr.	35.7	21.8	13.9	4,395	-	4,395

Table IV (Continued)

Year and Month	Retail	Farm price for equiv. quantity of butterfat	Margin between farm and retail	Direct	Stamp	Total
	1	2	3	4	5	6
	- cents per pound -			- thous. pounds -		
1938 (Cont'd)						
May	33.3	20.3	13.0	4,602	-	4,602
June	32.2	19.2	13.0	2,108	-	2,108
July	32.8	19.6	13.2	-	-	-
Aug.	32.8	19.5	13.3	130	-	130
Sept.	32.8	19.5	13.3	9,893	-	9,893
Oct.	33.0	19.7	13.3	10,708	-	10,708
Nov.	33.1	20.2	12.9	8,307	-	8,307
Dec.	35.6	21.8	13.8	9,348	-	9,348
1939						
Jan.	33.4	20.4	13.0	31,210	-	31,210
Feb.	33.0	20.1	12.9	826	-	826
Mar.	31.4	18.4	13.0	4,562	-	4,562
Apr.	29.9	17.3	12.6	8,454	-	8,454
May	29.9	17.4	12.5	16,609	26	16,635
June	30.5	17.9	12.6	22,239	112	22,351
July	30.5	17.8	12.7	479	171	650
Aug.	30.7	18.1	12.6	9,607	241	9,848
Sept.	34.2	20.0	14.2	1,951	259	2,210
Oct.	34.9	21.7	13.2	891	302	1,193
Nov.	35.6	22.7	12.9	4,939	397	5,336
Dec.	35.9	23.0	12.9	1,963	562	2,525
1940						
Jan.	37.5	24.3	13.2	875	626	1,501
Feb.	37.7	24.0	13.7	125	946	1,071
Mar.	35.7	23.0	12.7	1,819	1,268	3,087
Apr.	34.9	22.2	12.7	4,854	1,462	6,316
May	34.3	21.7	12.6	1,349	1,568	2,917
June	33.6	20.7	12.9	2,828	1,604	4,432
July	33.9	20.9	13.0	24	1,709	1,733
Aug.	34.1	21.6	12.5	9	2,045	2,054
Sept.	34.3	21.9	12.4	-	1,995	1,995
Oct.	36.3	23.3	13.0	-	2,222	2,222
Nov.	37.4	25.0	12.4	-	2,204	2,204
Dec.	41.8	28.1	13.7	-	2,336	2,336
1941						
Jan.	38.0	25.1	12.9	1,610	2,735	4,345
Feb.	37.4	24.7	12.7	4,129	2,843	6,972
Mar.	37.6	24.8	12.8	736	3,563	4,299
Apr.	39.5	26.4	13.1	110	3,552	3,662
May	41.2	28.1	13.1	-	3,660	3,660

Source of data: Retail prices: U.S. Dept. of Labor, Bureau of Labor Statistics, Retail Prices (monthly issues)
Farm prices: U.S. Dept. of Agriculture, Midmonth Price Report (monthly issues)
Direct and stamp program purchases: Records of S.M.A.

during the following year averaged around 2 million pounds per month, although fluctuating widely. Purchases averaged about 15 to 20 per cent of the total receipts in the four principal Eastern markets /1 during the greater part of 1938 and 1939 and in January 1939 exceeding 50 per cent of these receipts. Direct purchases were discontinued in August 1940, but after four months, they were resumed on a small scale in January 1941 when prices began to drop rapidly from a sharp seasonal peak in December 1940.

Stamp program purchases, which increased steadily from May 1939, were relatively insignificant until the latter half of 1940 when they first exceeded 2 million pounds per month. (See Table IV and Figure 2) In May 1941 they totaled nearly 3.7 million pounds. During the first 5 months of 1941 blue stamp purchases amounted to over 16 million pounds. This was nearly three times as large as direct purchases during the corresponding period and well above total 1940 direct purchases of nearly 12 million pounds. During the first five months of 1941 blue stamp purchases accounted for over 2 per cent of total factory production of creamery butter.

Butter prices were relatively high during 1936 and 1937 and reached a peak of 45 cents per pound in December of the latter year. Following this, prices dropped sharply and by June 1938 had reached 32 cents per pound. The effect of very heavy direct purchases during 1938 was to establish a bottom for prices and they remained at about the same level until December when there was a very slight rise, but much less than the normal seasonal increase. (See Table IV and Figure 2)

During this period the large storage stocks held by the Dairy Producers Marketing Association /2 and the Surplus Marketing Administration served to

/1 New York, Chicago, Philadelphia and Boston.
/2 An association of dairy producer cooperatives whose price-stabilization operations were financed with federal funds.

place an upper limit upon prices. This was accentuated by the fact that the supplies held by the Dairy Producers Marketing Association were for resale in the event that prices rose unreasonably. During the greater part of a year, beginning in the summer of 1938, total storage stocks were exceptionally large, since those held by the Dairy Producers Marketing Association and the Surplus Marketing Administration alone were even greater than the usual commercial storage stocks. Prices again dropped in the opening months of 1939, reaching a low point in April of about 30 cents per pound retail. Owing to heavy direct purchases, prices were stabilized during the following four months at about the April level, after which they began a gradual rise, interrupted only by seasonal declines, which has continued since that time. From a low point of 30 cents per pound retail in May 1939, the lowest level reached by butter prices since 1932 and 1933, prices rose until by May 1941 they stood at 41 cents per pound. Butter was removed from the blue stamp list June 1, 1941.

Normally, as shown in Figure 3, a rise of 5 cents per pound in the retail price of butter has been accompanied by an increase of about 4.5 cents per pound in the farm price of an equivalent per cent of butterfat. In other words, approximately 90 per cent of any increase in the retail price of butter is likely to be passed on to farmers.

Virtually the entire amount of this increase in retail prices from 30 to 41 cents per pound during the two years since May 1939 has been reflected in increased prices to farmers. Within this period the margin between the retail price for butter and the farm price for an equivalent quantity of butterfat has remained relatively inflexible, averaging 12.9 cents per pound and ranging between 12.4 and 14.2 cents per pound. From May 1939 to May 1941, therefore, the increase of 11.3 cents per pound at the retail

level was reflected in an increase to farmers of 10.7 cents per pound, since the margin between retail and farm prices rose by only .5 cents per pound.

Since March 1941 butter prices have not followed the normal pattern of movement as they usually decline from a peak in December or January to a seasonal low point in early summer. During the current season, as shown in Figure 2, prices rose sharply to a peak in December 1940 and then began as rapid a decline which, however, continued only as long as February. In March this trend was reversed and prices began a sharp rise which has continued contra-seasonally. This movement, no doubt is affected, in part, by the heavy direct purchases by the Surplus Marketing Administration of other manufactured dairy products that began in mid-March and which is one phase of the program of the Department of Agriculture to encourage dairy production by supporting the prices of dairy products at higher levels than had been prevailing.

Eggs: Small direct purchases of eggs were made by the Surplus Marketing Administration in 1936, 1937, 1938 and 1939. Most of these purchases lasted only a few months and in only two months during these years exceeded 100,000 cases. (See Table V and Figure 4) Beginning in early 1940, however, a greatly accelerated volume of purchases was begun which reached a peak in June 1940 when the Surplus Marketing Administration took more than 850,000 cases of eggs, or over 50 per cent of the total egg receipts in the five principal markets /1 in the country for that month. There were no direct purchases during July 1940, but in August they were resumed for two months on a much smaller scale. Following this there were no purchases, until in February 1941 when the Surplus Marketing Administration again began taking eggs. In April and May of this year direct purchases approximated 400,000 cases per month.

/1 New York, Chicago, Philadelphia, Boston and San Francisco.

Figure 4.
Comparison of Retail and Farm Prices of Eggs with
Surplus Marketing Administration Purchases
January 1935-May 1941.

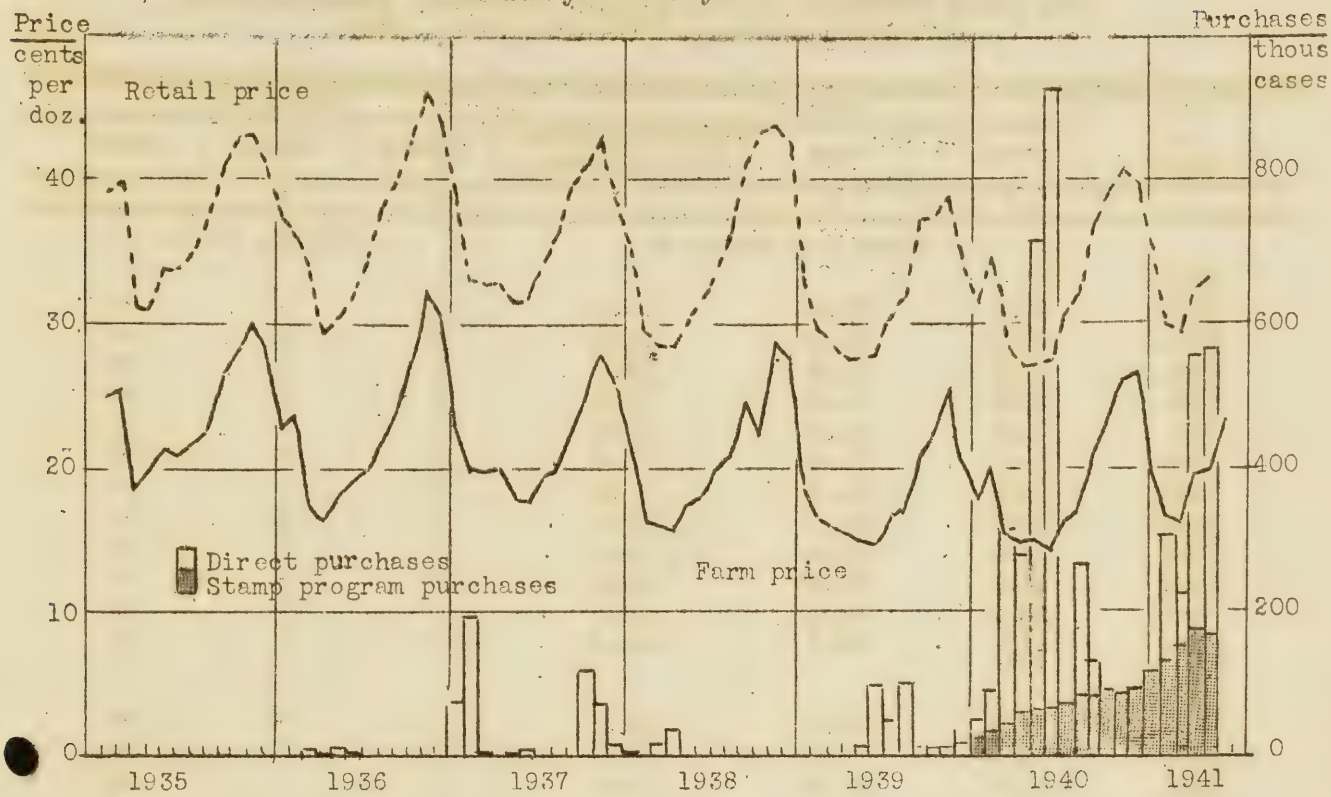


Figure 5.
Relation Between Retail and Farm Prices of Eggs,
By Months, January 1935-May 1941.

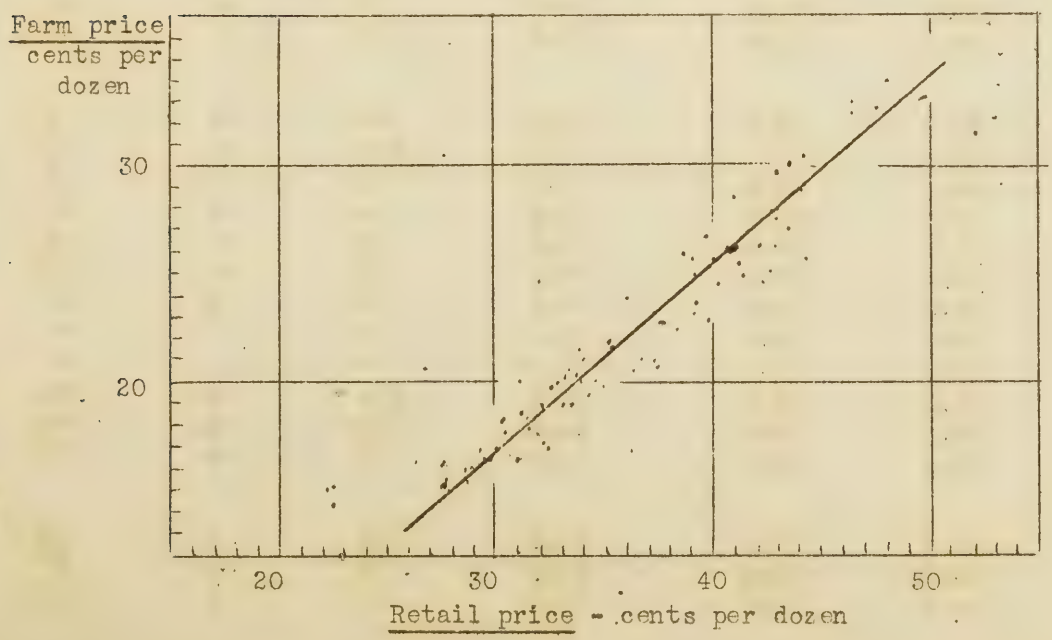


Table V
Comparison of Retail and Farm Prices of Eggs and Direct and Blue Stamp Purchases by the Surplus Marketing Administration, by Months, January 1935 through May 1941.

Year and Month	Prices			Purchases		
	Retail	Farm	Margin between farm and retail	Direct	Stamp	Total
	1	2	3	4	5	6
	- cents per dozen -			- thous. cases -		
1935						
Jan.	39.1	25.0	14.1	-	-	-
Feb.	40.0	25.6	14.4	-	-	-
Mar.	31.3	18.6	12.7	-	-	-
Apr.	31.1	20.0	11.1	-	-	-
May	33.9	21.4	12.5	-	-	-
June	34.0	21.0	13.0	-	-	-
July	35.2	21.7	13.5	-	-	-
Aug.	37.7	22.7	15.0	-	-	-
Sept.	41.0	26.4	14.6	-	-	-
Oct.	42.9	27.9	15.0	-	-	-
Nov.	43.4	30.1	13.3	-	-	-
Dec.	41.0	28.7	12.3	-	-	-
1936						
Jan.	37.6	22.8	14.8	-	-	-
Feb.	36.1	23.8	12.3	-	-	-
Mar.	33.9	17.5	16.4	12	-	12
Apr.	29.3	16.8	12.5	2	-	2
May	30.4	18.1	12.3	12	-	12
June	32.1	18.9	13.2	5	-	5
July	34.6	20.0	14.6	-	-	-
Aug.	38.3	22.4	15.9	-	-	-
Sept.	40.1	24.5	15.6	-	-	-
Oct.	42.9	27.6	15.3	-	-	-
Nov.	46.3	32.5	13.8	-	-	-
Dec.	44.1	30.5	13.6	-	-	-
1937						
Jan.	39.1	23.1	16.0	79	-	7
Feb.	33.2	20.1	13.1	195	-	19
Mar.	32.9	19.9	13.0	2	-	2
Apr.	33.1	20.1	13.0	-	-	-
May	31.5	17.9	13.6	1	-	1
June	31.8	17.6	14.2	12	-	12
July	34.2	19.4	14.8	-	-	-
Aug.	36.3	20.4	15.9	-	-	-
Sept.	39.8	22.9	16.9	-	-	-
Oct.	41.2	25.2	16.0	119	-	119
Nov.	42.9	28.0	14.9	74	-	74
Dec.	38.6	26.0	12.6	17	-	17
1938						
Jan.	35.3	21.6	13.7	/1	-	/1
Feb.	29.7	16.4	13.3	-	-	-
Mar.	28.7	16.2	12.5	21	-	21

Table V (Continued)

Year and Month	Prices: Retail	Prices: Farm	Prices: Margin between farm and retail	Purchases: Direct	Purchases: Stamp	Purchases: Total
	1	2	3	4	5	6
	- cents per dozen -			- thous. cases -		
1938 (Cont'd)						
Apr.	28.5	15.9	12.6	39	-	39
May	30.4	17.6	12.8	-	-	-
June	31.8	18.2	13.6	-	-	-
July	34.0	19.9	14.1	-	-	-
Aug.	36.3	21.0	15.3	-	-	-
Sept.	41.3	24.9	16.4	-	-	-
Oct.	43.4	27.1	16.3	-	-	-
Nov.	43.9	29.0	14.9	-	-	-
Dec.	42.8	27.9	14.9	-	-	-
1939						
Jan.	33.2	18.8	14.4	-	-	-
Feb.	29.6	16.7	12.9	-	-	-
Mar.	28.6	16.0	12.6	-	-	-
Apr.	27.8	15.5	12.3	-	-	-
May	27.7	15.2	12.5	14	1	15
June	27.9	14.9	13.0	94	4	98
July	30.6	16.5	14.1	43	6	49
Aug.	32.0	17.5	14.5	96	9	105
Sept.	37.4	20.6	16.8	6	10	16
Oct.	37.5	22.9	14.6	/1	11	11
Nov.	39.0	25.8	13.2	-	15	15
Dec.	34.2	20.5	13.7	15	23	37
1940						
Jan.	31.5	18.3	13.2	30	25	55
Feb.	34.5	20.2	14.3	58	35	93
Mar.	28.6	15.4	13.2	269	49	318
Apr.	27.3	15.0	12.3	220	63	283
May	27.4	15.1	12.3	651	68	719
June	27.5	14.4	13.1	858	69	927
July	30.9	16.4	14.5	-	73	73
Aug.	32.3	17.2	15.1	182	85	267
Sept.	37.2	21.0	16.2	49	84	133
Oct.	39.1	23.7	15.4	-	91	91
Nov.	40.7	26.2	14.5	-	88	88
Dec.	39.8	26.8	13.0	-	99	99
1941						
Jan.	34.9	19.7	15.2	-	120	120
Feb.	30.0	16.8	13.2	177	133	310
Mar.	29.4	16.4	13.0	72	157	229
Apr.	32.5	19.7	12.8	387	173	560
May	33.3	20.1	13.2	399	170	569

/1 Less than 500 cases.

Source of data: Retail prices: U.S. Dept. of Labor, Bureau of Labor Statistics Retail Prices (monthly issues)
Farm prices: U.S. Dept. of Agriculture, Agricultural Marketing Service, Midmonth Price Report (monthly issues)
Direct and stamp program purchases: Records of the S.M.A.

Blue stamp purchases of eggs, which began in May 1939, continued on a very small scale during 1939. In the first half of 1940, as shown in Table V, they increased rather rapidly, more than doubling in the first four months. During the remainder of the year a plateau was reached with a much smaller rate of increase. Beginning in January 1941, however, purchases again rose sharply, increasing from 99,000 cases in December 1940 to approximately 170,000 cases in April. May purchases were slightly below those in the previous month. During the current calendar year blue stamp purchases of eggs have totaled about 10 per cent of total receipts in the five principal markets and around 1.5 per cent of total U. S. egg production in these months.

The trend of egg prices from the latter part of 1936 until mid-1940 was gradually downward, with the low point during the spring or early summer months each year below that for the previous year. (See Table V and Figure 4) By 1940 retail prices were the lowest since 1933 and farm prices the lowest since 1934. Following heavy direct purchases, together with increased stamp purchases, in May and June prices began to rise and by November and December had exceeded those of the previous year. In January and February, however, prices again declined rapidly, but this was checked in March and by April an upward movement had begun contrary to the usual seasonal trend. Prices ordinarily continue to decline until about May or June. The May retail price this year equalled that in May 1935 and was the highest May price since 1930. The May farm price was the highest for this month since 1929, except for 1935.

From May 1939 to May 1941 the retail price of eggs rose from 27.7 to 33.3 cents per dozen, an increase of 5.6 cents per dozen, while the farm price rose from 15.2 to 20.1 cents, or an increase of 4.9 cents per dozen. Since the margin between the farm and retail prices of eggs is relatively inflexible, and in this instance increased only .7 cents per dozen, the bulk of the increase

in retail prices during the two years was retained by farmers. A comparison of price changes during the period from May 1939 to May 1941 with experience during the past 6 years indicates that the proportion of the increase received by farmers during these two years was approximately normal. As shown in Figure 5, a rise in retail prices from 28 to 33 cents per dozen, or an increase of 5 cents, has corresponded roughly to an increase in farm prices of about 4 cents, from 15 to 19 cents per dozen. That is, with a 5-cent rise in retail prices, there is normally a 4-cent rise in the price received by farmers and only a 1-cent rise in the margin covering distributing costs. At the lower level farmers have received about 53 per cent of the retail price, but at the higher level they have received about 58 per cent. In terms of Surplus Marketing Administration domestic disposal programs, the relative stability of the margin between farm and retail prices means that by far the greater part of any price increases resulting from these programs is passed on to farmers, rather than being absorbed by the marketing mechanism.

Pork Products: From 1935, when domestic agricultural surplus disposal programs were placed under the direction of the Department of Agriculture, until December 1939, there were no direct purchases of pork products. Beginning in December 1939, however, as shown in Table VI and Figure 6, purchases were inaugurated and during the first half of 1940 expanded rapidly reaching a peak of over 150 million pounds in June. Following this, direct purchases were discontinued and were not resumed until February 1941. In the next three months purchases more than doubled each month reaching over 140 million pounds in May. This is a rate of roughly 10 per cent of the current production of pork products. Beginning in April, however, by far

Figure 6.
Comparison of Retail and Farm Prices of Pork Products
with Surplus Marketing Administration Purchases
January 1936-May 1941.

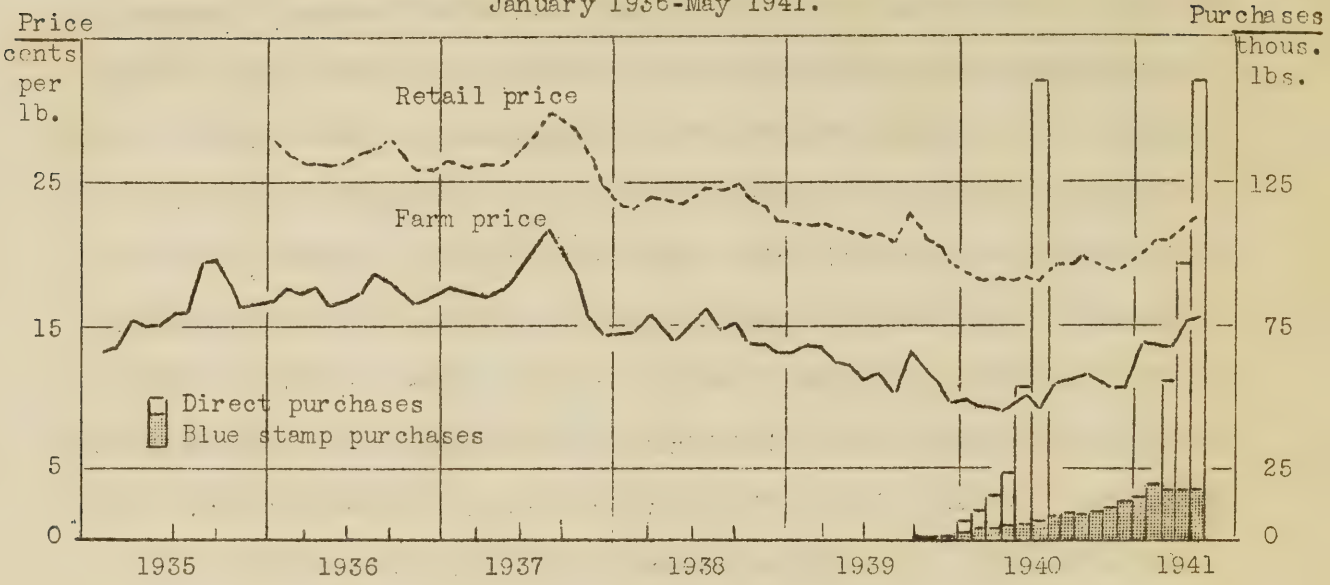


Figure 7.
Relation Between Retail and Farm Prices of
Pork Products, By Months, January 1935-May 1941

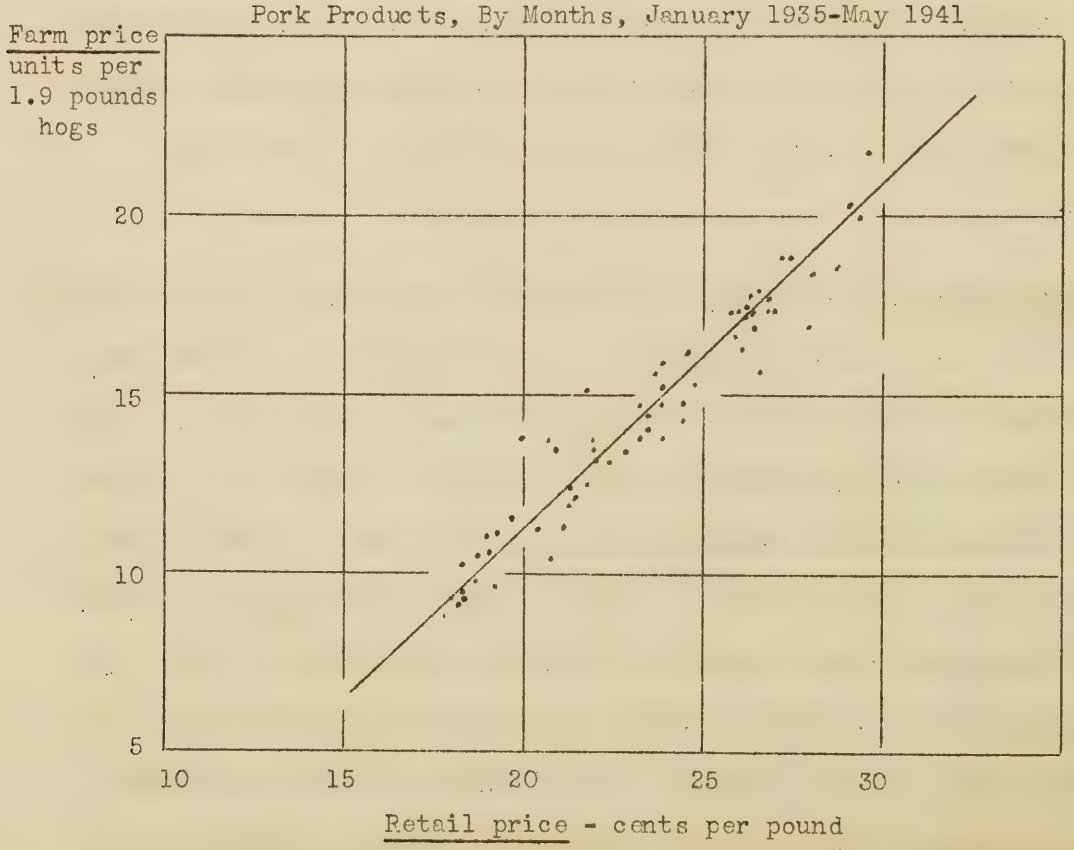


Table VI
Comparison of Retail and Farm Prices of Pork Products and Surplus Marketing Administration Direct and Blue Stamp Purchases, by Months, January 1935 through May 1941.

Year and Month	Prices			Purchases		
	Retail/1	Farm/2	Margin between farm and retail	Direct	Stamp	Total
	1	2	3	4	5	6
	- cents per pound -			- thous. pounds -		
1935						
Jan.	/3	13.1	-	-	-	-
Feb.	-	13.5	-	-	-	-
Mar.	-	15.4	-	-	-	-
Apr.	-	15.0	-	-	-	-
May	-	15.0	-	-	-	-
June	-	15.9	-	-	-	-
July	-	16.0	-	-	-	-
Aug.	-	19.4	-	-	-	-
Sept.	-	19.6	-	-	-	-
Oct.	-	18.2	-	-	-	-
Nov.	-	16.2	-	-	-	-
Dec.	-	16.6	-	-	-	-
1936						
Jan.	27.9	16.9	11.0	-	-	-
Feb.	26.8	17.7	9.1	-	-	-
Mar.	26.3	17.4	8.9	-	-	-
Apr.	26.3	17.8	8.5	-	-	-
May	26.1	16.3	9.8	-	-	-
June	26.4	16.9	9.5	-	-	-
July	27.0	17.4	9.6	-	-	-
Aug.	27.4	18.8	8.6	-	-	-
Sept.	28.0	18.4	9.6	-	-	-
Oct.	26.9	17.4	9.5	-	-	-
Nov.	25.9	16.6	9.3	-	-	-
Dec.	25.9	17.3	8.6	-	-	-
1937						
Jan.	26.5	17.9	8.6	-	-	-
Feb.	26.2	17.5	8.7	-	-	-
Mar.	26.1	17.4	8.7	-	-	-
Apr.	26.2	17.2	9.0	-	-	-
May	26.4	17.8	8.6	-	-	-
June	27.2	18.9	8.3	-	-	-
July	28.1	20.3	7.8	-	-	-
Aug.	29.6	21.8	7.8	-	-	-
Sept.	29.3	20.0	9.3	-	-	-
Oct.	28.7	18.6	10.1	-	-	-
Nov.	26.6	15.7	10.9	-	-	-
Dec.	24.5	14.3	10.2	-	-	-
1938						
Jan.	23.5	14.4	9.1	-	-	-
Feb.	23.3	14.7	8.6	-	-	-
Mar.	23.9	15.9	8.0	-	-	-
Apr.	23.9	14.8	9.1	-	-	-

Table VI (Continued)

Year and Month	Prices: Retail/1	Prices: Farm/2	Prices: Margin between farm and retail	Purchases: Direct	Purchases: Stamp	Purchases: Total
	- cents per pound -			- thous. pounds -		
1938 (Cont'd)						
May	23.5	14.0	9.5	-	-	-
June	23.9	15.2	8.7	-	-	-
July	24.6	16.2	8.4	-	-	-
Aug.	24.5	14.8	9.7	-	-	-
Sept.	24.8	15.3	9.5	-	-	-
Oct.	23.9	13.8	10.1	-	-	-
Nov.	23.3	13.8	9.5	-	-	-
Dec.	22.4	13.1	9.3	-	-	-
1939						
Jan.	22.1	13.2	8.9	-	-	-
Feb.	22.0	13.7	8.3	-	-	-
Mar.	22.0	13.5	8.5	-	-	-
Apr.	21.8	12.5	9.3	-	-	-
May	21.5	12.1	9.4	-	-	-
June	21.2	11.3	9.9	-	-	-
July	21.4	11.9	9.5	-	-	-
Aug.	20.9	10.4	10.5	-	-	-
Sept.	22.9	13.4	9.5	-	-	-
Oct.	21.4	12.4	9.0	-	328	328
Nov.	20.5	11.2	9.3	-	428	428
Dec.	19.3	9.6	9.7	631	1,329	1,960
1940						
Jan.	18.7	9.8	8.9	4,892	2,646	7,538
Feb.	18.3	9.4	8.9	7,034	3,591	10,625
Mar.	18.3	9.3	9.0	11,364	4,727	16,091
Apr.	18.1	9.3	8.8	17,715	6,018	23,733
May	18.4	10.2	8.2	47,428	6,403	53,831
June	18.2	9.2	9.0	152,376	7,530	159,906
July	19.1	11.0	8.1	-	8,638	8,638
Aug.	19.3	11.1	8.2	-	9,802	9,802
Sept.	19.8	11.7	8.1	-	9,357	9,357
Oct.	19.3	11.1	8.2	-	10,705	10,705
Nov.	18.9	10.7	8.2	-	12,125	12,125
Dec.	19.1	10.6	8.5	-	13,943	13,943
1941						
Jan.	20.0	13.8	6.2	-	15,092	15,092
Feb.	20.8	13.7	7.1	4,670	15,346	20,016
Mar.	21.0	13.5	7.5	37,507	18,047	55,554
Apr.	21.8	15.2	6.6	77,723	17,677	95,400
May	22.7	15.6	7.1	141,404	18,140	159,544

/1 Composite price of principal pork products. Compiled by Bureau of Labor Statistics prior to August 1939. Since that date has been compiled by Bureau of Agricultural Statistics and includes prices of pork chops, whole ham, sliced bacon and lard.

/2 Price of 1.9 pounds of hogs, live weight. Equivalent of 1 pound of principal pork products.

/3 Retail prices prior to January 1936 not available.

Source of data: Retail and farm prices: U.S.D.A., B.A.E., Price Spreads Between the Farmer and the Consumer (monthly issue)

Direct and blue stamp purchases: Records of S.M.A.

the larger part of these purchases was made under the Department of Agriculture's program to encourage the production of pork products by supporting the market through direct purchases. The foods so purchased may be distributed domestically to undernourished school children or needy low-income families, may be sold to the American Red Cross, may be shipped abroad under the terms of the lease-lend program, or relased on the domestic market.

Blue stamp purchases began in 1939 at about the same time that direct purchases were inaugurated. (See Table VI and Figure 6) Lard was placed on the blue stamp list in October and other pork products in December. Blue stamp purchases increased slowly first reaching 10 million pounds in October 1940. From that time purchases continued to increase until they totaled slightly over 18 million pounds in March 1941. During the following month there was a small decline, but in May purchases again reached 18 million pounds. The May rate of blue stamp purchases, therefore, approximated 2 per cent of the production of pork products. /1

Both farm and retail prices of hogs and pork products were high during the drought years, reaching a peak in 1937. In the following three years as shown in Figure 6, prices declined gradually, owing to a falling level of consumer income during a part of the period, to increased production, and to reduced export markets for pork products. Prices reached a low point early in 1940 as a consequence of the heavy marketings from the record pig crop in 1939. These prices were the lowest during the 30 years that

/1 In June blue stamp purchase of pork products slightly exceeded 19 million pounds. Pork products were removed from the blue stamp list in August 1941.

monthly data have been compiled, except for the depression years of 1932-34 when prices reached even lower levels. In part as a result of very large direct purchases, as well as the inauguration of blue stamp purchases, the prices of pork products were held at a relatively stable level throughout the first half of 1940. It appears, therefore, that the heavy volume of purchases concluded in June prevented prices from falling to even lower levels, which probably would have occurred in the absence of surplus disposal programs.

In July 1940, with a continuation of blue stamp purchases on an increasing scale, together with a slightly reduced volume of marketings and an improving level of consumer income, an upward trend in pork product prices set in and has continued until the present time. Very heavy direct purchasing, especially in April and May 1941 was a primary factor accounting for the rise. The May retail price of pork products was the highest price since the sharp peak reached in September 1939 during the war scare. Except for the drought years 1936 and 1937, it was the highest May price since 1930.

In terms of the effects of Surplus Marketing Administration purchase programs, either direct or blue stamp, it should be noted that the margin between retail and farm prices of pork products during 1941 has been the smallest in the past 5 years. In 1941, as shown in Table VI, the maximum margin has been 7.5 cents between the retail price of one pound of pork products and an equivalent quantity of hogs, live weight, on the farm and the minimum has been 6.2 cents. This may be compared with a previous minimum of 7.8 cents per pound and a maximum of 11 cents. One factor accounting for this reduction probably is the Department's program of supporting market

prices in order to encourage increased production. These recent purchases of pork products from meat packers appear to have been reflected in increases in farm prices prior to and greater than those at the retail level.

Moreover, as is indicated in Table VI, the margin between farm and retail prices is quite inflexible. This means that the whole or the greater part of any increase in retail prices is passed on to the farmer. As shown in Figure 7, an increase of 10 cents per pound in the retail price from 20 to 30 cents would correspond roughly to an increase in the farm prices of about 9.5 cents as the margin to cover distributing costs could be expected to rise only about one-half cent. Owing to the fact that the margin going to distributors actually declined during the period from April 1940, when prices were lowest, to May 1941, farmers experienced a larger increase in price than retailers. During this period the retail price rose from 18.1 to 22.7 cents, or 4.6 cents per pound, while the equivalent farm price rose from 9.3 to 15.6 cents, or an increase of 6.3 cents per pound. The margin declined nearly 2 cents, thus resulting in an increase in farm prices nearly 2 cents greater than the increase in retail prices during the corresponding period.

Oranges: The first substantial direct purchases of oranges by the Surplus Marketing Administration began during the 1937-38 season, although there were some smaller purchases toward the close of the 1935-36 season. Direct purchases since 1937-38, as shown in Table VII and Figure 8, have been practically continuous, and averaged roughly about 200,000 boxes per month until the present season when they have averaged only about 100,000 boxes per month, since there have been no purchases in Florida. Heaviest direct purchases were made during the 1937-38 season when for several months they

Figure 8.
Comparison of Retail and Farm Prices of Oranges with Surplus Marketing Administration Purchases, January 1935-May 1941.

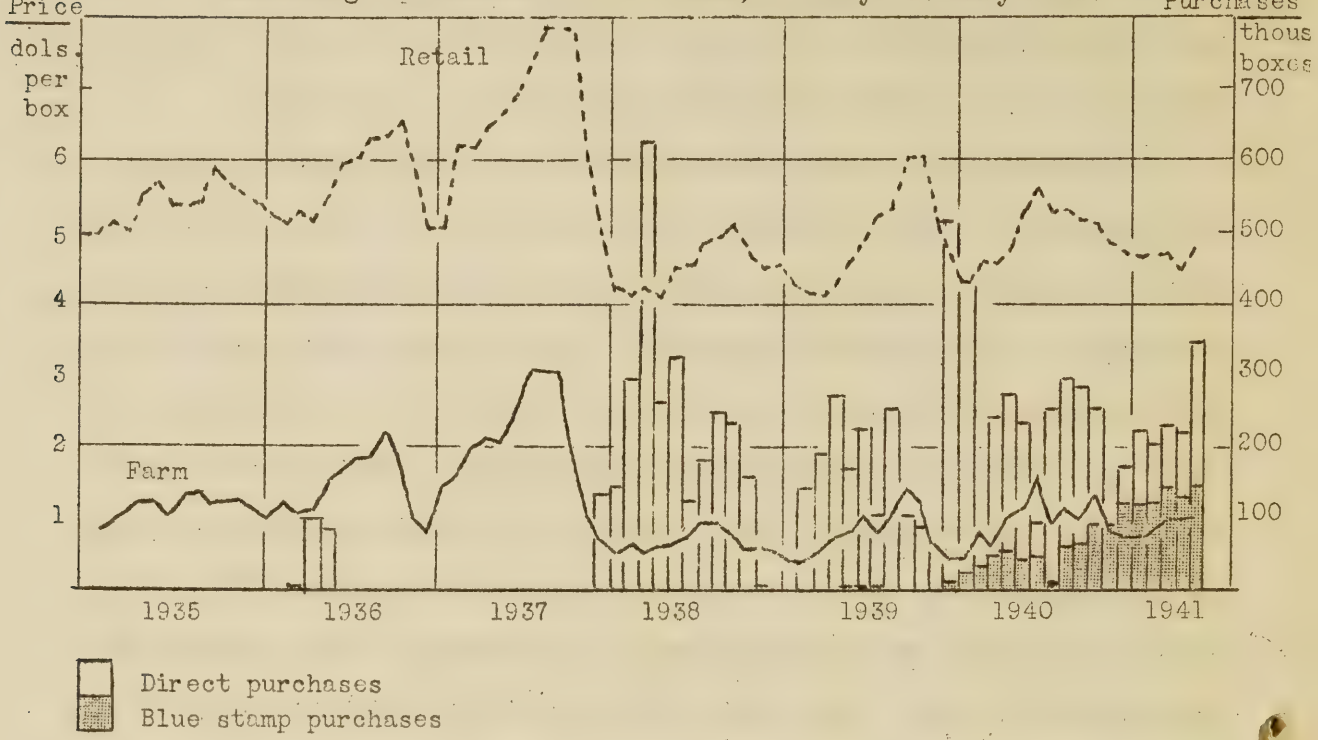


Figure 9.
Relation Between Retail and Farm Prices of Oranges, By Months, January 1935-May 1941.

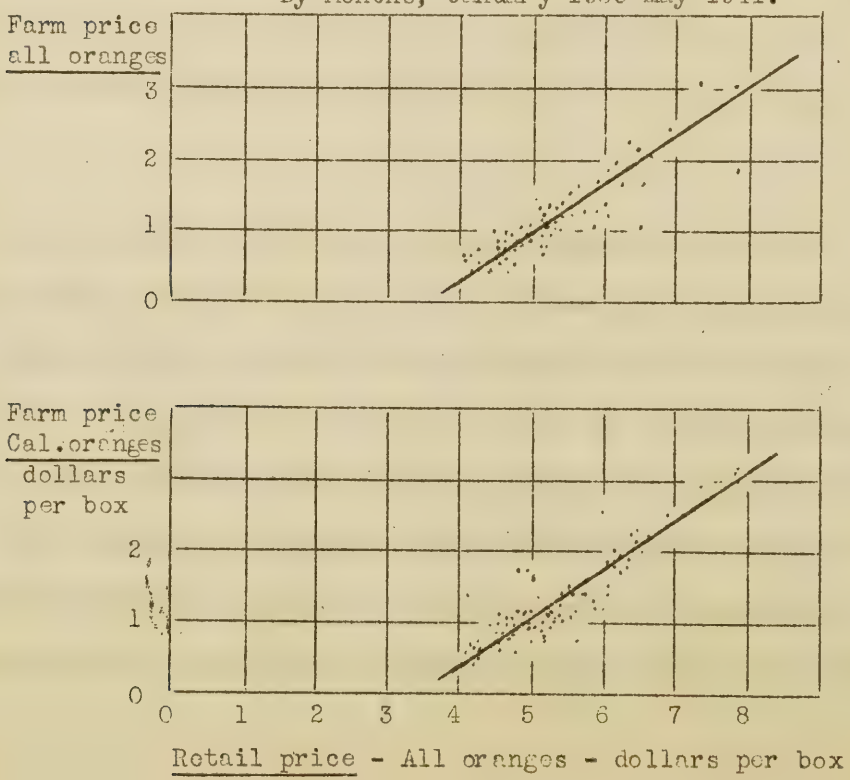


Table VII
Comparison of Retail and Average U. S. Farm Prices of Oranges and Surplus Marketing Administration Direct and Blue Stamp Purchases, by Months, January 1935 through May 1941.

Year and Month	Prices			Purchases		
	Retail/1	Farm	Margin between farm and retail	Direct	Stamp	Total
	1	2	3	4	5	6
	dollars per box	dollars per box "on tree"	dollars per box	-	thous. boxes	-
1935						
Jan.	5.00	.85	4.15	-	-	-
Feb.	5.15	.92	4.23	-	-	-
Mar.	5.00	1.10	3.90	-	-	-
Apr.	5.51	1.23	4.28	-	-	-
May	5.71	1.23	4.48	-	-	-
June	5.41	1.00	4.41	-	-	-
July	5.39	1.34	4.05	-	-	-
Aug.	5.42	1.40	4.02	-	-	-
Sept.	5.90	1.30	4.60	-	-	-
Oct.	5.75	1.37	4.38	-	-	-
Nov.	5.56	1.37	4.19	-	-	-
Dec.	5.41	1.22	4.19	-	-	-
1936						
Jan.	5.24	1.02	4.22	-	-	-
Feb.	5.17	1.24	3.93	-	-	-
Mar.	5.32	1.05	4.27	-	-	-
Apr.	5.12	1.13	3.99	9	-	9
May	5.51	1.53	3.98	100	-	100
June	5.97	1.70	4.27	89	-	89
July	6.07	1.85	4.22	-	-	-
Aug.	6.31	1.90	4.41	-	-	-
Sept.	6.39	2.25	4.14	-	-	-
Oct.	6.51	1.69	4.82	-	-	-
Nov.	5.88	1.04	4.84	-	-	-
Dec.	5.03	.78	4.25	-	-	-
1937						
Jan.	5.07	1.48	3.59	-	-	-
Feb.	6.21	1.63	4.58	-	-	-
Mar.	6.19	1.95	4.24	-	-	-
Apr.	6.48	2.14	4.34	-	-	-
May	6.66	2.05	4.61	-	-	-
June	6.90	2.47	4.43	-	-	-
July	7.36	3.06	4.30	-	-	-
Aug.	7.84	3.05	4.79	-	-	-
Sept.	7.84	3.03	4.81	-	-	-
Oct.	7.82	1.86	5.96	-	-	-
Nov.	6.00	1.02	4.98	-	-	-
Dec.	5.00	.71	4.29	138	-	138
1938						
Jan.	4.27	.57	3.70	146	-	146
Feb.	4.13	.68	3.45	298	-	298

Table VII (Continued)

Year and Month	Prices: Retail/1	Prices: Farm	Prices: Margin between farm and retail	Purchases: Direct	Purchases: Stamp	Purchases: Total
	dollars per box	dollars per box "on tree"	dollars per box	- thous. boxes -		
1938 (Cont'd)						
Mar.	4.22	.55	3.67	629	-	629
Apr.	4.10	.65	3.45	263	-	263
May	4.51	.65	3.86	329	-	329
June	4.56	.73	3.83	129	-	129
July	4.73	.95	3.78	182	-	182
Aug.	4.96	.95	4.01	250	-	250
Sept.	5.12	.80	4.32	236	-	236
Oct.	4.78	.53	4.25	160	-	160
Nov.	4.56	.60	3.96	1	-	1
Dec.	4.56	.53	4.03	-	-	-
1939						
Jan.	4.42	.41	4.01	-	-	-
Feb.	4.20	.44	3.76	145	-	145
Mar.	4.11	.58	3.53	192	-	192
Apr.	4.27	.76	3.51	272	-	272
May	4.51	.85	3.66	171	1	172
June	4.88	1.07	3.81	223	5	228
July	5.20	.80	4.40	103	2	105
Aug.	5.36	1.03	4.33	255	-	255
Sept.	6.04	1.40	4.64	106	-	106
Oct.	6.07	1.26	4.81	92	-	92
Nov.	5.19	.66	4.53	-	-	-
Dec.	4.68	.46	4.22	505	11	516
1940						
Jan.	4.22	.49	3.73	404	26	430
Feb.	4.56	.86	3.70	-	35	35
Mar.	4.56	.64	3.92	195	50	245
Apr.	4.78	1.01	3.77	220	54	274
May	5.30	1.12	4.18	187	47	234
June	5.64	1.65	3.99	46	50	96
July	5.27	.95	4.32	243	12	255
Aug.	5.30	1.15	4.15	231	65	296
Sept.	5.15	1.00	4.15	220	66	286
Oct.	5.10	1.36	3.74	168	91	259
Nov.	4.83	.80	4.03	-	90	90
Dec.	4.74	.74	4.00	56	123	179
1941						
Jan.	4.64	.75	3.89	102	121	223
Feb.	4.66	.87	3.79	82	126	208
Mar.	4.68	.99	3.69	84	147	231
Apr.	4.47	1.00	3.47	85	138	223
May	4.81	1.04	3.77	199	149	348

/1 Converted from a price per dozen at the rate of 17 dozen per box.

Source of data: Retail prices: U.S. Dept. of Labor, Bureau of Labor Statistics, Retail Prices (monthly issues)

Farm prices: U.S. Dept. of Agriculture, Agricultural Marketing Service, Midmonth Price Report (monthly issues)

Direct and stamp program purchases: Records of S.M.A.

averaged around 300,000 boxes per month and in March 1938 reached a peak of nearly 630,000 boxes. The only other period of comparable direct purchases was at the beginning of the 1939-40 season when for two months, in December 1939 and January 1940, the volume of purchases totaled 400,000 and 500,000 boxes per month. Immediately following this, a severe freeze in Florida and Texas so disrupted marketing schedules and supplies that purchases were discontinued. They were resumed in March, however, and during the remainder of the 1939-40 season Florida purchases were of a salvage character as the Surplus Marketing Administration accepted fruit of a grade excluded from commercial fresh fruit channels. There have been no direct purchases of oranges in Florida during the current season.

Direct purchases ordinarily have been made in both Florida and California during the winter and spring months, but only in California during the summer months, as the volume of Florida shipments after June is very small.

Blue stamp purchases of oranges began in May 1939, but in July were discontinued until December 1939 when oranges were again added to the list. Except for the first part of July 1940, oranges have been on the blue stamp list continuously since that time. (See Table VII) The volume of purchases in 1939 amounted to only a few thousand boxes per month. During the first 3 months of 1940 the volume of purchases doubled from 25,000 to 50,000 boxes per month; for the next 6 months there was little change, but by the end of the year the volume of monthly purchases had again doubled, totaling about 120,000 boxes. During 1941 there has been a further increase and by May, blue stamp purchases of oranges totaled nearly 150,000 boxes, or a rate of roughly 2 per cent of the total movement of fresh oranges during the month. During the 1940-41 season through May, therefore, blue stamp purchases, totaling nearly 900,000 boxes, have exceeded direct purchases by about 50 per cent.

Prices of oranges reached a very high point during the latter part of the 1936-37 season owing to relatively short supplies and a high level of consumer income. Retail prices in 1937 were nearly $8.00 per box and farm prices over $3.50 per box. At the beginning of the 1937-38 season, however, there was a precipitous decline, retail prices falling to a little over $4.00 per box and farm prices to around 60 cents per box. Owing to a heavy volume of direct purchases, this decline was halted in January and during the following three months prices were stabilized at the January level. (See Figure 8) Equally low prices again occurred at the beginning of the two following seasons, but with heavy direct purchases, particularly in the 1939-40 season, even greater declines appear to have been prevented. At the opening of the 1940-41 season, prices failed to decline as low as during any of the three previous seasons. Several factors would seem to account for this. Although direct purchases were only about one-half as large as in the previous years, blue stamp purchases for the first-time exceeded 100,000 boxes per month and were larger than direct purchases, bringing the combined total of purchases up to about the same level as for the most months in the previous years. Moreover, consumer incomes had risen substantially. On the other hand, record supplies of oranges were available during the 1940-41 winter season. California's navel and miscellaneous crop was the largest ever reported and the Florida crop was only slightly smaller than the record production in 1938-39.

The effect of direct purchases in California probably has been to increase returns to farmers slightly, as the bulk of the fruit sold to the Surplus Marketing Administration would have been withheld from the fresh fruit market and disposed of in by-product channels at somewhat lower prices than were received from the government. Retail prices, however, probably were

not affected appreciably as the volume of fruit marketed in fresh fruit channels has been regulated under federal and state marketing agreements. In the case of Florida oranges, it is probable that direct purchases in 1937-38, 1938-39 and the early 1939-40 season prevented prices from falling as low as would have occurred in the absence of purchases.

Tables VII and VIII, showing the relationship between retail and farm prices of oranges during the past 6 years, indicate a relatively inflexible margin between these two prices. An increase of $2.00 per box in the retail price of all oranges from $4.50 to $6.50 per box corresponds, on the average, to an increase in the margin which covers costs of processing, transportation and marketing of about $.65 per box. The return to farmers, therefore, would increase by the remainder, or about $1.35 per box. This tends to mean that when retail prices of oranges rise from $4.50 to $6.50 per box, the farmer's proportion of the retail price increases from about 14 per cent to around 30 per cent of the total. During the past 6 years, as shown in TablesVII and VIII, farm prices of oranges have ranged widely between $.50 and $2.50 per box, while the margin between farm and retail prices, during the greater part of the time, has ranged from about $3.75 to $4.50 per box.

In Figure 9, the relationship between retail prices of all oranges and the average U.S. farm price of oranges has been shown, as well as the relationship between retail prices of all oranges and the California farm price. These two comparisons were made because the relationship of retail price with California farm prices seems to be much more consistent than that for Florida farm prices. Moreover, a comparison of retail prices with California farm prices during the summer months, when little or no Florida fruit is reaching retail markets, indicates an even closer relationship than appears

Table VIII.
Comparison of Retail Prices of All Oranges and Farm Prices of California Oranges, by Months, January 1935 through May 1941.

Year and Month	Retail price of all oranges/1	Farm price of Cal. oranges	Margin between farm & retail prices
	- dollars per box -		
1935			
Jan.	5.00	1.00	4.00
Feb.	5.15	1.00	4.15
Mar.	5.00	1.15	3.85
Apr.	5.51	1.10	4.41
May	5.71	1.25	4.46
June	5.41	1.05	4.36
July	5.39	1.35	4.04
Aug.	5.42	1.40	4.02
Sept.	5.90	1.30	4.60
Oct.	5.75	1.40	4.35
Nov.	5.56	1.45	4.11
Dec.	5.41	1.35	4.06
1936			
Jan.	5.24	1.10	4.14
Feb.	5.17	1.25	3.92
Mar.	5.32	1.05	4.27
Apr.	5.12	1.15	3.97
May	5.51	1.50	4.01
June	5.97	1.70	4.27
July	6.07	1.85	4.22
Aug.	6.31	1.90	4.41
Sept.	6.39	2.25	4.14
Oct.	6.51	2.00	4.51
Nov.	5.88	1.25	4.63
Dec.	5.03	.95	4.08
1937			
Jan.	5.07	1.65	3.42
Feb.	6.21	1.95	4.26
Mar.	6.19	2.00	4.19
Apr.	6.48	2.30	4.18
May	6.66	2.25	4.41
June	6.90	2.55	4.35
July	7.36	2.95	4.41
Aug.	7.84	3.05	4.79
Sept.	7.84	3.15	4.69
Oct.	7.82	3.10	4.72
Nov.	6.00	1.70	4.30
Dec.	5.00	.70	4.30
1938			
Jan.	4.27	.50	3.77
Feb.	4.13	.70	3.43
Mar.	4.22	.65	3.57
1938 (Cont'd)			
Apr.	4.10	.60	3.50
May	4.51	.85	3.66
June	4.56	.60	3.96
July	4.73	.95	3.78
Aug.	4.96	.95	4.01
Sept.	5.12	.80	4.32
Oct.	4.78	.53	4.25
Nov.	4.56	.60	3.96
Dec.	4.56	.53	4.03
1939			
Jan.	4.42	.41	4.01
Feb.	4.20	.44	3.76
Mar.	4.11	.58	3.53
Apr.	4.27	.76	3.51
May	4.51	.85	3.66
June	4.88	1.07	3.81
July	5.20	.80	4.40
Aug.	5.36	1.03	4.33
Sept.	6.04	1.40	4.64
Oct.	6.07	1.26	4.81
Nov.	5.19	.66	4.53
Dec.	4.68	.46	4.22
1940			
Jan.	4.22	.49	3.73
Feb.	4.56	.86	3.70
Mar.	4.56	.64	3.92
Apr.	4.78	1.01	3.77
May	5.30	1.12	4.18
June	5.64	1.65	3.99
July	5.27	.95	4.32
Aug.	5.30	1.15	4.15
Sept.	5.15	1.00	4.15
Oct.	5.10	1.36	3.74
Nov.	4.83	.80	4.03
Dec.	4.74	.74	4.00
1941			
Jan.	4.64	.75	3.89
Feb.	4.66	.87	3.79
Mar.	4.68	.99	3.69
Apr.	4.47	1.00	3.47
May	4.81	1.04	3.77

/1 Converted from a price per dozen at the rate of 17 dozen per box.
Source of data: Retail prices: U.S.D.L., B.L.S., Retail Prices (monthly issues)
Farm prices: U.S.D.A., A.M.S., Midmonth Price Report (monthly issue

to exist in other months of the year. Several factors may account for the apparent failure of Florida farm prices of oranges to correspond closely to changes in retail prices. There have been notable changes during the past 6 years in the marketing of Florida citrus fruit that have not occurred in California, and which may affect the relationship between farm and retail prices. For several years a steadily increasing volume of Florida fruit has been shipped by truck, thus tending to reduce the total of marketing charges. Moreover, during this period there has been a substantial shift from the use of standard to Bruce boxes. This also has reduced marketing costs. However, the bulk of shipments in Bruce boxes have been lower grade fruit, as most of the high grade fruit is still shipped in standard boxes. The result is a generally different relationship between retail and farm prices at the upper price levels than at the lower levels.

In the past one and one-half years from January 1940, when prices were very low, to May 1941 there was an increase of approximately 60 cents per box in the retail price of oranges, from $4.22 to $4.81 per box. Owing to the fact that the margin between the retail price and the U.S. farm price remained relatively stable throughout this period, all but 4 cents of this increase was reflected in increased returns to farmers, the U.S. farm price having risen from $.49 to $1.04 per box. The farmer's share of the retail price, therefore, increased from about 12 to 22 per cent.

White Potatoes: Beginning in 1935, potatoes have been purchased by the Surplus Marketing Administration each year except 1936 and 1939. (See Table IX and Figure 10) During 1935 purchases were moderately small totaling 600,000 bushels in January, the month of largest purchase, and nealy 450,000 bushels in July. Except for a few thousand bushels taken in the fall of 1935,

Figure 10.
Comparison of Retail and Farm Prices of White Potatoes
with Surplus Marketing Administration Purchases,
January 1935-May 1941.

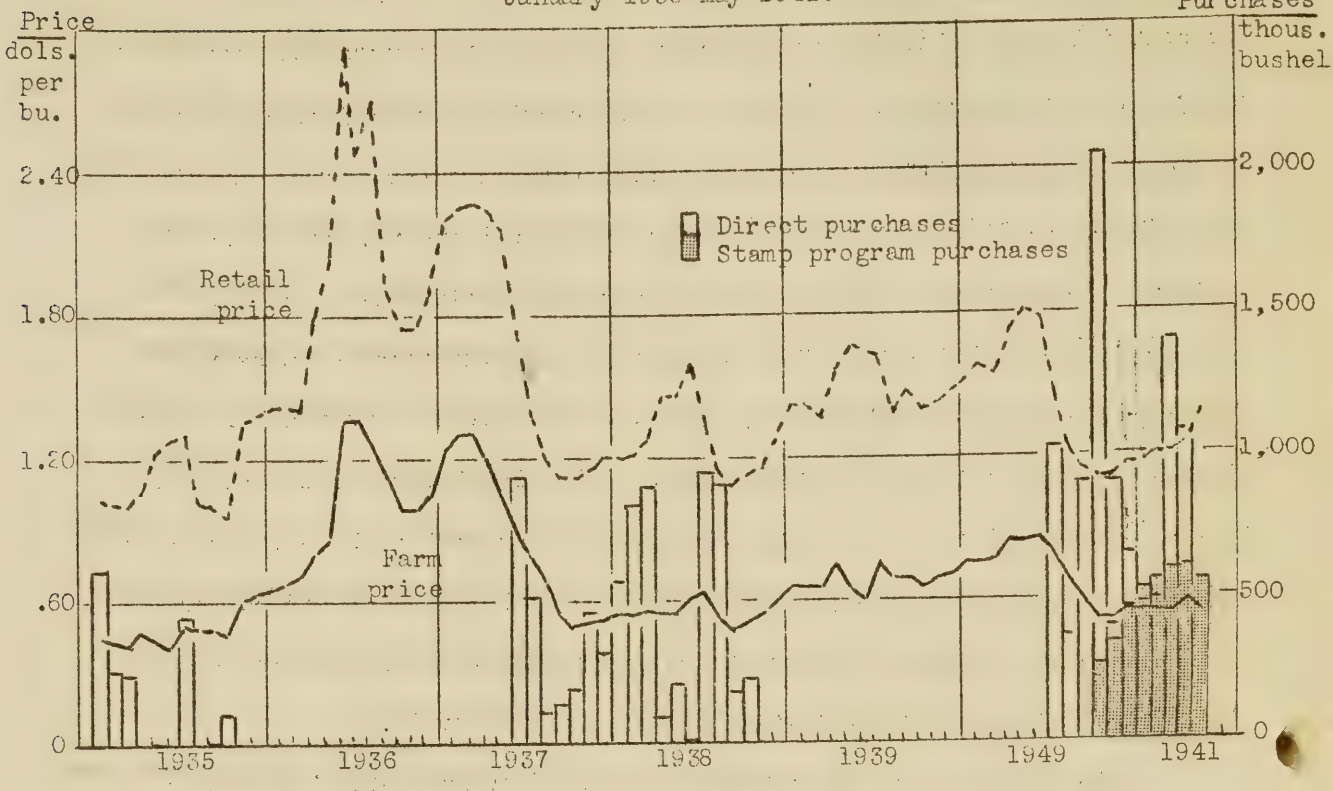


Figure 11.
Relation Between Retail and Farm Prices of White Potatoes
By Months, January 1935-May 1941.

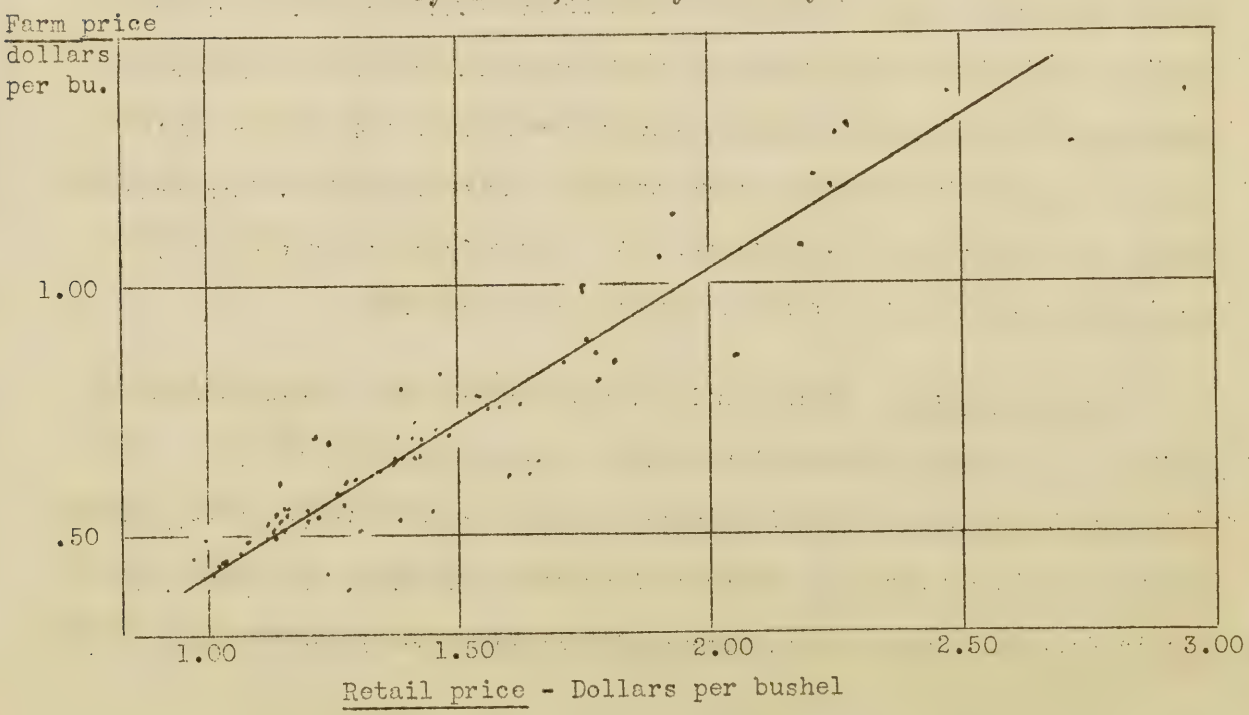


Table IX
Comparison of Retail and Farm Prices of White Potatoes and Surplus Marketing Administration Direct and Blue Stamp Purchases, by Months, January 1935 through May 1941.

Year and Month	Prices			Purchases		
	Retail	Farm	Margin between farm and retail	Direct	Stamp	Total
	1	2	3	4	5	6
	- dollars per bushel -			- thous. bushels -		
1935						
Jan.	1.040	.453	.587	603	-	603
Feb.	1.020	.441	.579	252	-	252
Mar.	1.008	.425	.583	239	-	239
Apr.	1.068	.468	.600	-	-	-
May	1.232	.426	.806	2	-	2
June	1.280	.393	.887	-	-	-
July	1.304	.507	.797	445	-	445
Aug.	1.032	.491	.541	-	-	-
Sept.	1.000	.475	.525	3	-	3
Oct.	.972	.461	.511	12	-	12
Nov.	1.364	.621	.743	-	-	-
Dec.	1.384	.637	.747	-	-	-
1936						
Jan.	1.424	.654	.770	-	-	-
Feb.	1.416	.684	.732	-	-	-
Mar.	1.412	.721	.691	-	-	-
Apr.	1.784	.811	.973	-	-	-
May	2.056	.871	1.285	-	-	-
Apr.	2.940	1.366	1,574	-	-	-
July	2.468	1.375	1,093	-	-	-
Aug.	2.712	1,273	1.439	-	-	-
Sept.	1.928	1.137	.791	-	-	-
Oct.	1.752	.979	.773	-	-	-
Nov.	1.752	.980	.772	-	-	-
Dec.	1.904	1.062	.842	-	-	-
1937						
Jan.	2.196	1.222	.974	-	-	-
Feb.	2.252	1.303	.949	-	-	-
Mar.	2.268	1.310	.958	-	-	-
Apr.	2.244	1.192	1.052	-	-	-
May	2.168	1.070	1.098	-	-	-
June	1.764	.884	.880	934	-	934
July	1.392	.792	.600	511	-	511
Aug.	1.220	.690	.530	109	-	109
Sept.	1.132	.537	.595	137	-	137
Oct.	1.120	.485	.635	192	-	192
Nov.	1.148	.512	.636	452	-	452
Dec.	1.200	.530	.670	323	-	323
1938						
Jan.	1.200	.540	.660	560	-	560
Feb.	1.224	.542	.682	834	-	834
Mar.	1.268	.562	.706	893	-	893
Apr.	1.448	.544	.904	91	-	91

Table IX (Continued)

Year and Month	Prices: Retail	Prices: Farm	Prices: Margin between farm and retail	Purchases: Direct	Purchases: Stamp	Purchases: Total
	1	2	3	4	5	6
	- dollars per bushel -			- thous. bushels -		
1938 (Cont'd)						
May	1.452	.543	.909	209	-	209
June	1.600	.612	.988	2	-	2
July	1.368	.640	.728	947	-	947
Aug.	1.144	.527	.617	910	-	910
Sept.	1.084	.474	.610	179	-	179
Oct.	1.132	.510	.622	228	-	228
Nov.	1.160	.547	.613	-	-	-
Dec.	1.292	.613	.679	-	-	-
1939						
Jan.	1.412	.646	.766	-	-	-
Feb.	1.420	.646	.774	-	-	-
Mar.	1.372	.646	.726	-	-	-
Apr.	1.564	.752	.812	-	-	-
May	1.660	.644	1.016	-	-	-
June	1.640	.610	1.030	-	-	-
July	1.620	.764	.856	-	-	-
Aug.	1.376	.691	.685	-	-	-
Sept.	1.476	.694	.782	-	-	-
Oct.	1.392	.664	.728	-	-	-
Nov.	1.408	.692	.716	-	-	-
Dec.	1.460	.708	.752	-	-	-
1940						
Jan.	1.520	.740	.780	-	-	-
Feb.	1.576	.752	.824	-	-	-
Mar.	1.536	.770	.766	-	-	-
Apr.	1.708	.838	1.070	-	-	-
May	1.808	.835	.973	-	-	-
June	1.784	.857	.927	-	-	-
July	1.472	.821	.651	1,031	-	1,031
Aug.	1.236	.680	.556	369	-	369
Sept.	1.152	.595	.557	912	-	912
Oct.	1.120	.520	.600	1,784	264	2,048
Nov.	1.124	.524	.600	505	408	913
Dec.	1.156	.549	.607	192	459	651
1941						
Jan.	1.168	.546	.622	59	463	522
Feb.	1.200	.546	.654	61	495	556
Mar.	1.200	.538	.662	802	596	1,398
Apr.	1.260	.576	.684	467	615	1,082
May	1.380	.534	.836	4	548	552

Source of data: Retail prices: U.S. Dept. of Labor, Bureau of Labor Statistics, Retail Prices (monthly issues)
Farm prices: U.S. Dept. of Agriculture, Agricultural Marketing Service, Midmonth Price Report (monthly issues)
Direct and stamp program purchases: Records of S.M.A.

there were no further purchases until 1937. In June and July 1937, purchases of 900,000 bushels and 500,000 bushels respectively were made from the intermediate crop, but in the following few months they were much smaller. However, as the 1937-38 late crop marketing season progressed the volume of purchases increased, reaching nearly 900,000 bushels in March 1938. Three months of very limited purchases followed and then in July and August purchases from the 1938-39 intermediate crop again reached nearly 1 million bushels per month. After October 1938 there were no direct purchases until June 1940. A heavy rate of purchases was begun in the summer months which reached over 2 million bushels in October, but rapidly tapered off in the following 4 months. In March and April 1941, however, purchases totaled about 800,000 and 500,000 bushels, respectively, while in May they were negligible.

Blue stamp purchases which began in October 1940, the month of heaviest direct purchases, rose sharply from about 265,000 bushels in the opening month to 615,000 bushels in April 1941. (See Table IX and Figure 10) There was a slight decline in May to around 550,000 bushels. During the first 5 months of 1941, blue stamp purchases of potatoes totaled more than 2.7 million bushels which is double the quantity of direct purchases, during the same period. This means that the blue stamp purchases amounted to around 2 per cent of the total white potato marketings in these 5 months, and the combined total of blue stamp and direct purchases represented approximately 3 per cent.

In the past six years potato prices have fluctuated widely from about $1.00 to $3.00 per bushel retail and from $.40 to $1.40 per bushel at the farm, as shown in Table IX. Prices were exceptionally low in 1935, but owing to the effects of the drought rose to very high levels in 1936 and 1937. They dropped abruptly at the opening of the 1937-38 season to a low point of about $.50 per bushel on the farm and $1.10 per bushel retail in October 1937. From that date through the 1937-38, 1938-39 and 1939-40 seasons potato prices rose gradually.

Beginning in June 1940 prices began to drop sharply and by October reached the lowest level since September 1938. Retail prices were $1.12 per bushel and farm prices $.52 per bushel.

Owing to inauguration of blue stamp purchases in October and very heavy direct purchases during the month, the downward trend in prices was stopped and during the following seven months farm prices were stabilized at about the October level. Retail prices, however, increased steadily after October and by May 1941 had reached $1.38 per bushel, a rise of $.26 per bushel, compared with a net increase in farm prices of only one cent during the same period. /1 From May to July 1941, however, farm prices rose sharply reaching $.76 per bushel, while retail prices in July stood at $1.68 per bushel. From the low point in October 1940 to July 1941, therefore, retail prices increased by nearly $.56 per bushel and farm prices rose by slightly over $.24. During this period only about 45 per cent of the increase in retail price was passed on to the farmer, with the result that his share of the retail dollar spent for potatoes remained at about 46 per cent. This is somewhat less than the usual proportion of retail price increases passed on to farmers in the past 6 years. As shown in Figure 11, a rise of $.50 per bushel in the retail price normally has been accompanied by an increase of around $.30 per bushel in the farm price. This means that, on the average, about 60 per cent of any increase in the retail price of white potatoes is likely to be passed on in the form of farm price increases.

Dry Beans: Prior to 1938 only small quantities of dry beans had been purchased directly by the Surplus Marketing Administration. These purchases, which amounted to less than 50,000 bags (100 lbs. each) per month, took place

/1 The existence of unusually heavy stocks of merchantable potatoes from the 1940 late crop probably accounted in large measure for the failure of farm prices to rise during the early months of 1941. January 1 stocks in 1941, which were among the largest on record, were reported to total nearly 119 million bushels, or 14 per cent larger than in 1940 and about 16 per cent greater than the previous ten-year average. These stocks, a large part of which were held by growers, probably exerted a more depressing influence on farm prices than they did on retail prices.

Figure 12.
Comparison of Retail and Farm Prices of Dry Beans with
Surplus Marketing Administration Purchases, January 1935-May 1941.

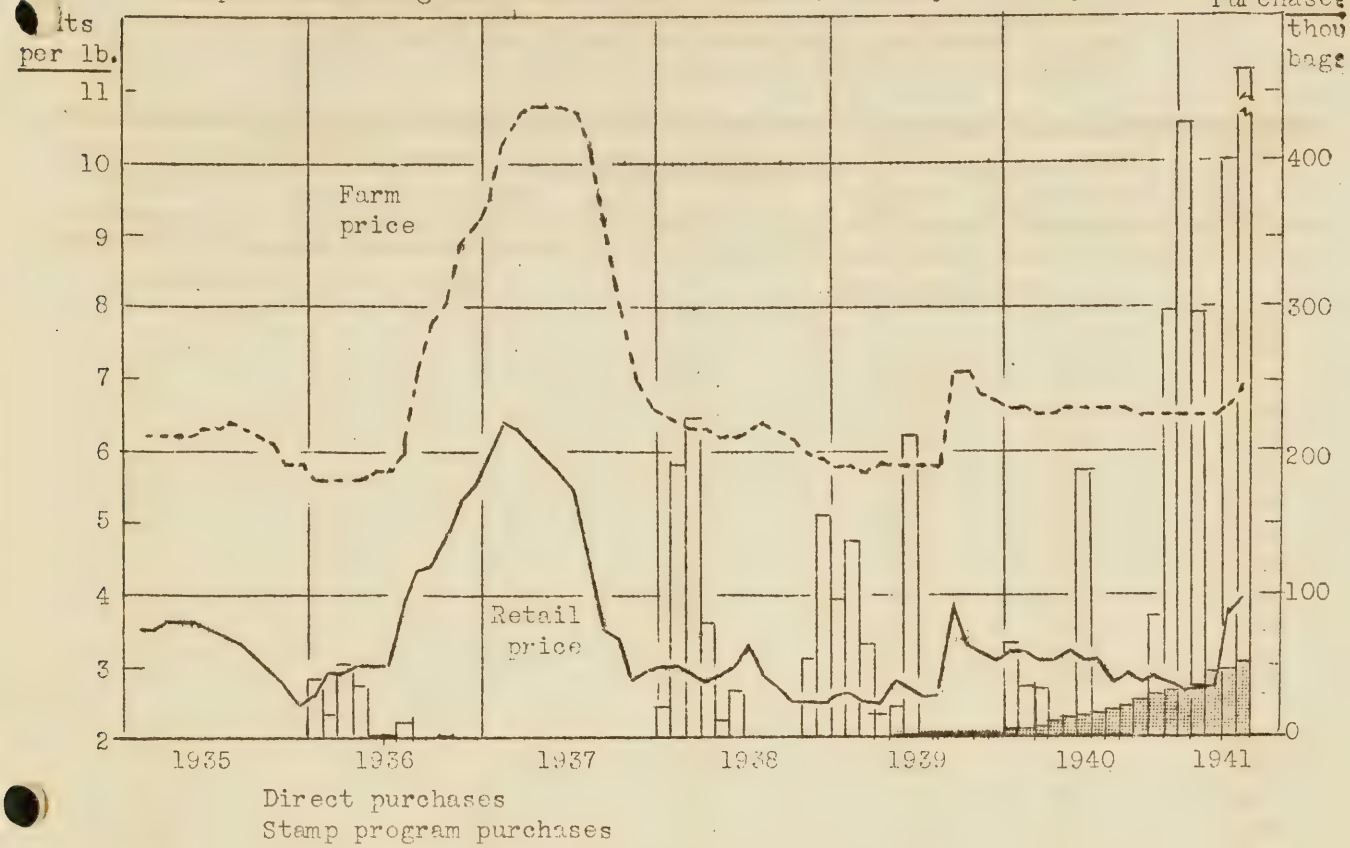


Figure 13.
Relation Between Retail and Farm Prices of Dry Beans,
By Months, January 1935-May 1941.

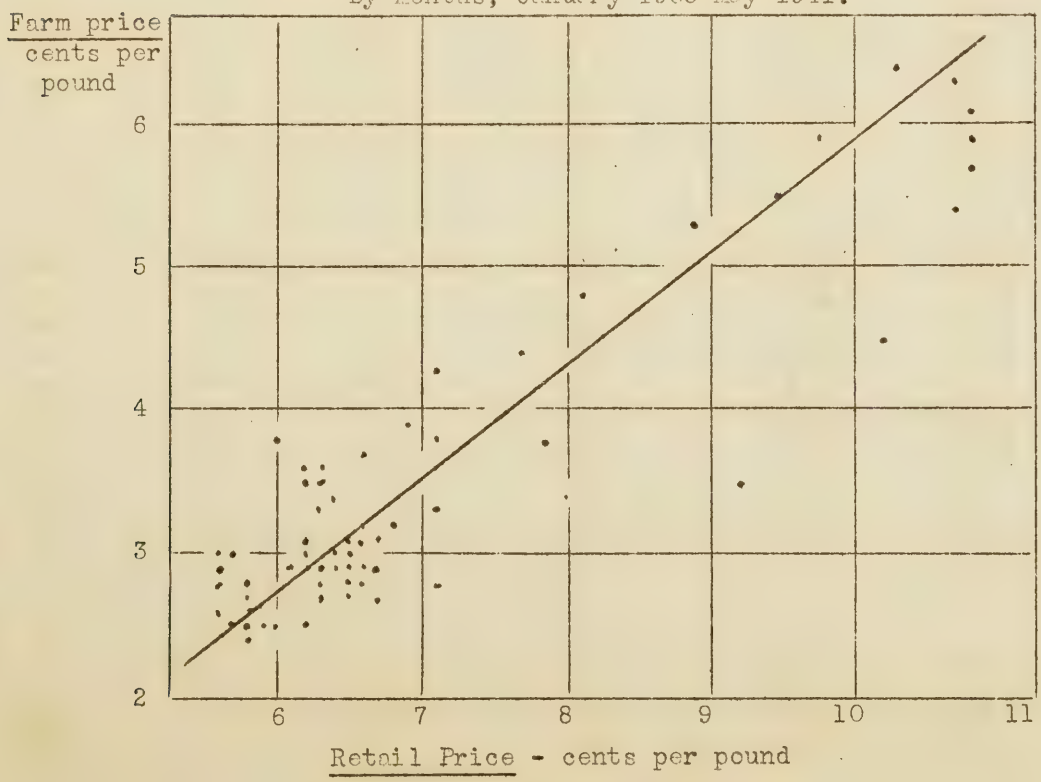


Table X
Comparison of Retail and Farm Prices of Dry Beans and Surplus Marketing Administration Direct and Blue Stamp Purchases, by Months, January 1935 through May 1941.

Year and Month	Prices			Purchases		
	Retail/1	Farm/2	Margin between farm and retail	Direct	Stamp	Total
	1	2	3	4	5	6
	- cents per pound -			- thous. bags (100 lbs.) -		
1935						
Jan.	6.2	3.5	2.7	-	-	-
Feb.	6.2	3.5	2.7	-	-	-
Mar.	6.2	3.6	2.6	-	-	-
Apr.	6.2	3.6	2.6	-	-	-
May	6.3	3.6	2.7	-	-	-
June	6.3	3.5	2.8	-	-	-
July	6.4	3.4	3.0	-	-	-
Aug.	6.3	3.3	3.0	-	-	-
Sept.	6.2	3.1	3.1	-	-	-
Oct.	6.1	2.9	3.2	-	-	-
Nov.	5.8	2.7	3.1	-	-	-
Dec.	5.8	2.4	3.4	-	-	-
1936						
Jan.	5.6	2.6	3.0	43	-	43
Feb.	5.6	2.9	2.7	17	-	17
Mar.	5.6	2.9	2.7	50	-	50
Apr.	5.6	3.0	2.6	38	-	38
May	5.7	3.0	2.7	2	-	2
June	5.7	3.0	2.7	1	-	1
July	6.0	3.8	2.2	12	-	12
Aug.	7.1	4.3	2.8	-	-	-
Sept.	7.7	4.4	3.3	-	-	-
Oct.	8.1	4.8	3.3	1	-	1
Nov.	8.9	5.3	3.6	-	-	-
Dec.	9.2	5.5	3.7	-	-	-
1937						
Jan.	9.5	5.9	3.6	-	-	-
Feb.	10.3	6.4	3.9	-	-	-
Mar.	10.7	6.3	4.4	-	-	-
Apr.	10.8	6.1	4.7	-	-	-
May	10.8	5.9	4.9	-	-	-
June	10.8	5.7	5.1	-	-	-
July	10.7	5.4	5.3	-	-	-
Aug.	10.2	4.5	5.7	-	-	-
Sept.	9.2	3.5	5.7	-	-	-
Oct.	8.0	3.4	4.6	-	-	-
Nov.	7.1	2.8	4.3	-	-	-
Dec.	6.7	2.9	3.8	-	-	-
1938						
Jan.	6.5	3.0	3.5	22	-	22
Feb.	6.4	3.0	3.4	191	-	191
Mar.	6.3	2.9	3.4	224	-	224
Apr.	6.3	2.8	3.5	82	-	82

Table X (Continued)

Year and Month	Prices: Retail/1	Prices: Farm/2	Prices: Margin between farm and retail	Purchases: Direct	Purchases: Stamp	Purchases: Total
	- cents per pound -			- thous. bags (100 lbs.) -		
1938 (Cont'd)						
May	6.2	2.9	3.3	14	-	14
June	6.2	3.0	3.2	35	-	35
July	6.3	3.3	3.0	-	-	-
Aug.	6.4	2.9	3.5	-	-	-
Sept.	6.3	2.7	3.6	-	-	-
Oct.	6.2	2.5	3.7	-	-	-
Nov.	6.0	2.5	3.5	57	-	57
Dec.	5.9	2.5	3.4	157	-	157
1939						
Jan.	5.8	2.6	3.2	98	-	98
Feb.	5.8	2.6	3.2	139	-	139
Mar.	5.7	2.5	3.2	66	-	66
Apr.	5.8	2.5	3.3	17	-	17
May	5.8	2.8	3.0	21	/3	21
June	5.8	2.7	3.1	210	1	211
July	5.8	2.6	3.2	-	1	1
Aug.	5.8	2.6	3.2	-	2	2
Sept.	7.1	3.8	3.3	-	2	2
Oct.	7.1	3.3	3.8	-	2	2
Nov.	6.8	3.2	3.6	-	3	3
Dec.	6.7	3.1	3.6	-	4	4
1940						
Jan.	6.6	3.2	3.4	60	6	66
Feb.	6.6	3.2	3.4	30	7	37
Mar.	6.5	3.1	3.4	26	9	35
Apr.	6.5	3.1	3.4	-	12	12
May	6.6	3.2	3.4	-	15	15
June	6.6	3.1	3.5	171	17	188
July	6.6	3.1	3.5	-	18	18
Aug.	6.6	2.8	3.8	-	20	20
Sept.	6.6	2.9	3.7	-	24	24
Oct.	6.5	2.8	3.7	-	27	27
Nov.	6.5	2.9	3.6	54	32	86
Dec.	6.5	2.8	3.7	265	34	299
1941						
Jan.	6.5	2.7	3.8	392	35	427
Feb.	6.5	2.7	3.8	259	38	297
Mar.	6.5	2.7	3.8	143	48	191
Apr.	6.6	3.7	3.9	354	50	404
May	6.9	3.9	3.0	943	53	996

/1 Reported only for white "navy" beans.
/2 Reported for all classes of dry beans.
/3 Less than 500 bags.

Source of data: Retail prices: U.S. Dept. of Labor, Bureau of Labor Statistics, Retail Prices (monthly issues)
Farm prices: U.S. Dept. of Agriculture, Agricultural Marketing Service, Midmonth Price Report (monthly issues)
Direct and stamp program purchases: Records of S.M.A.

during the first half of 1936. In 1938, however, as shown in Table X and Figure 12, a much larger scale of direct purchases was begun. Purchases were inaugurated in January on a small scale but in February and March averaged 200,000 bags per month. By June they had been completed and were not renewed until November. For several months following, purchases averaged about 100,000 bags per month and in June 1939 again exceeded 200,000 bags. During the next one and one-half years, direct purchases were small. There were very limited purchases in the first three months of 1940 and about 170,000 bags were taken in June. In November 1940 purchases were resumed and have continued without interruption on a scale approximately double that during any previous periods. In January and April 1941 the quantities taken surpassed 400,000 bags per month and in May nearly 950,000 bags were purchased directly.

It should be noted, that since March heavy direct purchases of dry beans have been made under the Department of Agriculture's program to encourage production through supporting prices at levels considered remunerative to growers by open market purchases. Commodities secured under this program may be used for direct distribution through the school lunch program or to needy low-income families, for sale to the American Red Cross, or for shipment abroad under the provisions of the lend-lease program.

Blue stamp purchases which began in May 1939 have increased consistently throughout the past two years. (See Figure 12 and Table X) During 1939 purchases were small, amounting to only a few thousand bags per month. In 1940, however, they increased rapidly from 6,000 bags in January to 20,000 bags in August and 34,000 bags in December. This increase continued in 1941 and by May blue stamp purchases totaled approximately 53,000 bags, or 5.3 million pounds for the month.

As shown in Table X and Figure 12, except for the 1936-37 season, when the drought sharply reduced supplies, dry bean prices have been low

throughout the greater part of the past 6 years. Prices reached the lowest level during the 6 years toward the close of 1935 and the opening months of 1936. Following this, prices rose very sharply and by early 1937 retail prices had reached nearly 11 cents per pound, while farm prices were about 6.5 cents per pound. As the size of the 1937-38 crop became apparent and later as marketing began, prices dropped rapidly. After reaching about 3 cents per pound on the farm, prices remained relatively stable except for a slight rise at the close of the 1937-38 season. However, prices again fell to even lower levels, about 2.5 cents per pound on farm and 6 cents retail, at the opening of the new season. A steady volume of direct purchases from November 1938 through June 1939, resulted in the stabilization of both farm and retail prices throughout the 1938-39 season.

In September 1939, at the outbreak of the European war, there was a sudden but temporary increase in both farm and retail prices. Almost immediately afterward, however, prices again began to decline. The drop in retail prices was limited, and by the end of the year retail prices had reached about 6.6 cents per pound where they remained until May 1941 when they increased slightly. Farm prices, on the other hand, fell rather steadily after September 1939, when they stood at 3.8 cents per pound, and during the first 3 months of 1941 were only 2.7 cents per pound. In April, in response to the Department's program of purchasing to support prices and encourage production, farm prices of dry beans began to rise sharply. The increase continued in May, though on a smaller scale. The U.S. average farm price of dry beans in May stood at 3.9 cents per pound. This exceeded the level reached in September 1939, and except for the 1936-37 season, was the highest price since 1930. Retail prices also rose in April and May, but much less

sharply. The May retail price was almost equal to the September 1939 peak, and, except for this, was exceeded in the past ten years only by prices during 1936-37.

It is apparent from Figure 12 that during the greater part of the past 6 years retail prices of dry beans have fluctuated less than farm prices. At the peak of the 1936-37 season the retail price continued to rise for 2 months after farm prices had reached a peak. Moreover, retail prices continued at the peak level for 2 more months, while farm prices had been dropping sharply. Again, after September 1939 farm prices dropped more than retail prices, and continued to decline gradually until March 1941, while retail prices were stabilized by March 1940 and remained virtually unchanged for the following year.

In May 1939 the retail price was 5.8 cents per pound and the farm price 2.8 cents per pound with a spread between these two of 3 cents per pound. Two years later in May 1941 the retail price has risen to 6.9 cents per pound and the farm price to 3.9 cents per pound. Since the margin between the farm and retail prices in May 1941 again stood at 3 cents, the entire amount of the increase in the retail price of 1.1 cents per pound over the 2 years was reflected in an equally large increase in the farm price. This relationship between farm and retail prices ordinarily does not remain fixed, however, and in some months during the 2-year period the spread reached nearly 4 cents per pound. /1

/1 A possible shortcoming of retail and farm price comparisons for dry beans is the fact that retail prices are reported only for small white dry beans while the average U.S. farm price is reported for all classes of dry beans. However, the retail price is fairly representative, as small white beans account for nearly 50 per cent of all dry beans. Moreover, the prices of all classes of dry beans tend to move together with only minor variations between classes.

Figure 13, which shows the general relationship between retail and farm prices of dry beans for the past six years, indicates that with a one cent per pound increase in the retail price there is likely to be an increase in the farm price of about .8 cents per pound./1 In other words, with an increase in the retail price from 6 to 7 cents per pound there is likely to be an increase in the farm price from about 2.75 cents per pound to 3.55 cents per pound, the farmer's share rising about 29 per cent while the retail price rises about 17 per cent.

Recent Price Increases

In view of the generally ample supplies of most foods which are indicated for domestic consumption during 1941, it may be interesting to note that roughly three-quarters of the increase in food prices which has occurred since May 1939, has taken place since the beginning of the current calendar year. During the period from May 1939 to June 1941, the index of all retail food prices rose approximately 12 per cent. Nearly 9 per cent, or about three-quarters of this increase has occurred since January 1941. As shown in Table III, the index rose from 102.1 in May 1941 to 105.9 in June, an increase of nearly 4 per cent. The index of retail prices of foods not on the blue stamp list from May 1939 to May 1941 increased nearly 9 per cent, while the increase in 1941 has amounted to more than 5 per cent. (See Table III). The June 1941 index of 106.2 was approximately 2.5 per cent above that

/1 It may be noted in Figure 13 that there are about a half-dozen readings which fall well below and to the right of the curve depicting the average relationship between farm and retail prices. These readings all relate to the period between about March and October 1937 when prices stood at unusually high levels. Beginning in March farm prices fell sharply, while retail prices continued to rise for two more months and then remained at this level for two additional months. Throughout this period the margin between farm and retail prices exceeded 4 cents per pound and in August and September amounted to nearly 6 cents per pound.

for the previous month. Throughout the years 1940 and 1939 the index fluctuate within a narrow range between 97 and 101, based on 1935-39 as 100.

The most marked increases during 1941, of course, have taken place in the prices of foods on the blue stamp list. The index of retail prices of blue stamp foods rose over 14 per cent from February through June of this year, compared with a total increase of 23 per cent since May 1939. (See Table III) The index of farm prices of certain blue stamp foods, likewise shows a sharp increase in 1941. From February through June 1941 the farm price index rose approximately 26 per cent, or over one-half of the total increase of 40 per cent during the 2-year period since May 1939. (See Table II) A 5-per cent increase occurred in June, the index reaching 107, based on 1935-39 as 100.

One of the factors accounting for this sharp increase during 1941, of course, is the Department's program to encourage increased production through supporting prices at levels considered remunerative to growers by direct purchases in the open market. Among the foodstuffs affected by this program which has been operating since March are dairy products, poultry and eggs, hog products, dry white beans and tomatoes. Included in this group are butter, eggs, lard, pork products and dry beans which were on the blue stamp list during the months of March, April and May. Butter, however, was dropped from the list in June and pork products were removed from the list effective in August.

PUBLIC ASSISTANCE

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THE FOOD STAMP PLAN, MAY 1939–JULY 1940

The food stamp plan, initiated in 1939 by the United States Department of Agriculture and administered by the Surplus Marketing Administration, is the most recent of the various Federal programs which have as their primary objective the removal of agricultural surpluses. The stamp plan, as well as the programs for direct distribution of commodities through welfare agencies, charitable institutions, and schools, removes surpluses through increased consumption of farm products, particularly by low-income groups. Beginning with this issue of the Bulletin, data on the plan will be presented monthly.

In the areas in which the stamp plan is in operation, the surplus commodities purchased by families receiving stamps form an important part of the assistance given, inasmuch as the food purchasing power of such families is increased 50 percent. This increased buying power, according to the Department of Agriculture, is used to buy considerably larger quantities of dairy meat, and poultry products, fruits, and vegetables [1]—foods important in nutritional value but difficult to purchase with limited resources. In July 1940 the average monthly increase in food purchasing power represented by the surplus-food stamps issued was $2.22 per person.

Federal funds were first used to purchase surplus commodities in 1932 and 1933; large quantities of wheat and cotton purchased by the Government were then distributed to needy persons through the American Red Cross. Since October 1933, Federal surplus commodities have been distributed directly through State and local welfare agencies by the Federal Surplus Relief Corporation and its successor agencies—the Federal Surplus Commodities Corporation and the Surplus Marketing Administration.

The food stamp plan is in operation only in areas designated by the Department of Agriculture and is not Nation-wide in coverage. These areas may be a city, a county, or a group of counties.

Stamp-issuing offices are usually established in cooperation with the State department of public welfare. In each area a designated local public welfare agency operates the offices and certifies families who are eligible to participate under the plan. In the stamp-plan areas, food commodities are no longer issued directly through welfare agencies to families eligible to participate but are purchased by such families through normal trade channels in accordance with stamp-plan procedures. Commodities continue to be distributed directly in stamp-plan areas to charitable institutions and, under the school lunch program, to school children.

Participation in the plan is voluntary for the families certified to receive stamps. Persons eligible to participate may include recipients of the

Table 1.—*Food stamp plan: Number of areas included and participants, and value of surplus-food stamps issued in the continental United States, by months, May 1939–July 1940* [1]

Month	Number of areas included [2]	Number of participants [3]		Value of surplus-food stamps issued
		Cases	Persons	
1939				
May	1	5,711	21,000	$22,473
June	2	15,941	51,000	101,848
July	3	28,128	75,700	158,455
August	6	46,964	136,500	285,413
September	6	54,881	156,300	334,944
October	8	61,018	173,900	371,203
November	14	79,000	220,600	481,148
December	19	137,286	398,900	833,956
1940				
January	30	196,648	569,200	1,176,843
February	38	304,398	852,900	1,745,367
March	53	371,995	1,066,900	2,210,602
April	62	442,488	1,277,300	2,667,051
May	71	476,613	1,393,300	2,986,686
June	83	507,021	1,488,500	3,161,982
July	99	559,823	1,586,500	3,514,659

[1] Figures do not include persons receiving commodities under direct distribution program of the Surplus Marketing Administration or value of such commodities.

[2] An area represents a city, county, or group of counties. Population of areas with plans in operation in July 1940 was 17.7 million, according to 1930 census. By July 31, 1940, 33 additional areas with a population of 10.0 million had been designated for inclusion.

[3] Includes recipients of old-age assistance, aid to dependent children, and aid to the blind; recipients of and those eligible to receive general relief; persons certified as in need of relief and employed on or awaiting assignment to projects financed by the WPA; and recipients of subsistence payments from the FSA. In some areas certain of these groups, in accordance with agreements with local public welfare authorities, do not participate. Figures include for 1 area (Shawnee, Oklahoma) some low income families, i. e., those having weekly income of less than $19.50, who have been eligible to participate since October 1939.

Source: U. S. Department of Agriculture, Surplus Marketing Administration.

[1] U. S. Department of Agriculture, *Report of Federal Surplus Commodities Corporation for the Fiscal Year 1939*, Oct. 31, 1939, p. 9.

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three special types of public assistance, cases receiving or eligible to receive general relief, persons certified as in need and employed on or awaiting assignment to projects financed by the Work Projects Administration, and cases receiving subsistence payments from the Farm Security Administration. In some areas certain of these groups do not participate in the plan.

Although the stamp plan was established primarily to increase agricultural income by creating demand for surplus farm products, it is intended also to increase the food consumption of needy families. For this reason surplus commodities are received in addition to, and not in lieu of, the usual food-budget allowances. Generally, under the plan, families certified for participation may purchase with their relief payments and other cash resources orange-colored food stamps at the rate of $1 to $1.50 per week per person. For each dollar's worth of orange stamps purchased, the family receives 50 cents worth of blue stamps. In areas where weekly food-budget allowances exceed $1 per person, a higher minimum purchase formula is used.

Orange-colored stamps may be used to purchase any food product sold in retail stores; they may not be used to buy tobacco or alcoholic beverages. The blue stamps may be used to purchase at retail prices only those agricultural commodities listed as surplus in the current surplus-commodity bulletin issued by the Department of Agriculture. Surplus commodities listed during July included butter, raisins, rice, pork lard, pork, corn meal, shell eggs, dried prunes, hominy grits, wheat flour, whole wheat (graham) flour, and dry edible beans. Surplus commodities on the seasonal list vary among the different stamp-plan areas. During July fresh beets, cabbage, carrots, peas, snap beans, spinach, and tomatoes were among the products on seasonal lists in most of the areas.

Eligible families may use the food stamps in any retail food store in the particular stamp-plan area. Retailers accepting stamps present them for redemption either directly to the local office of the Surplus Marketing Administration or through wholesalers or banks acting as collection agents.

The food stamp plan was initiated in May 1939 on an experimental basis in Rochester, New York. The success of the plan in that city led to its gradual extension to other areas, with especially rapid growth in 1940. By July 1940, 99 areas were included under the plan and 33 additional areas had been designated for inclusion. Table 1 shows the month-by-month development of the plan during May 1939–July 1940 in terms of the number of areas included, the number of cases and persons participating, and the value of blue surplus-food stamps issued. The value of orange-colored stamps purchased is not included in the table because such stamps are purchased with funds included in the amount of public assistance and of earnings under Federal work programs shown in table 2.

In May 1939 in Rochester, 5,700 cases, including almost 21,000 persons, received surplus-food stamps totaling over $22,000. During the summer of 1939, the plan was inaugurated in 5 other areas so that by September 1939 it was being administered in Birmingham, Dayton, Des Moines, Seattle, and Pottawatomie County, Oklahoma, as well as in Rochester. In all 6 areas in September, 55,000 cases, including 156,000 persons, received stamps valued at $335,000. From the end of 1939 through July 1940, participation under the plan increased more than 4 times. By July, 560,000 cases, including 1.6 million persons in 99 areas, received blue stamps valued at $3.5 million. With the inclusion of 33 additional areas designated but not actually participating as of July 31, 1940, it is estimated that approximately 3.7 million persons would be eligible to receive surplus commodities under the stamp plan.

STATISTICS FOR THE UNITED STATES, JULY 1940

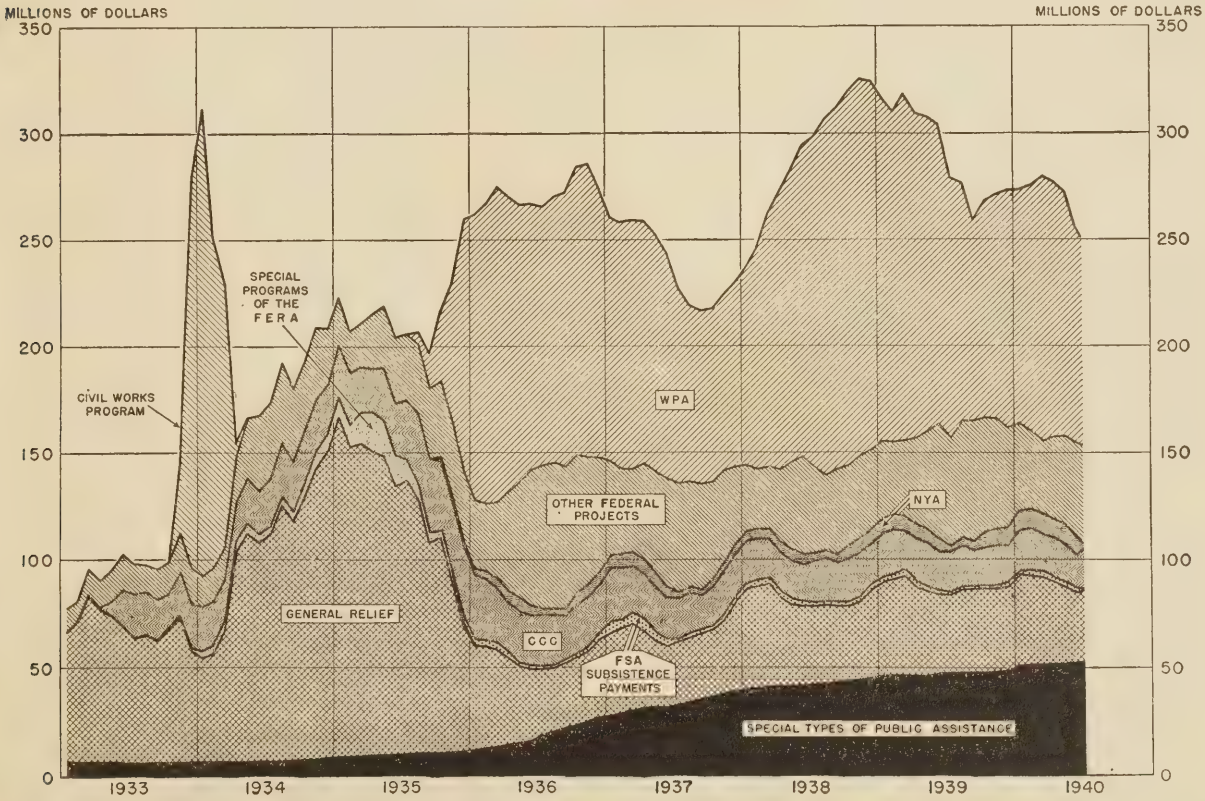
The decrease from June to July in the total amount expended in the continental United States for payments to recipients of public assistance and earnings of persons employed under Federal work programs continued the downward trend which began in April of this year. Expenditures in July dropped to a total of $252 million—1.5 percent below amounts in June and 9.6 percent below July 1939. Data on expenditures exclude all costs of administering the several programs and of materials, equipment, and supplies necessary for operation of the work programs.

The decrease in total expenditures was accompanied by a decline in the number of households and persons benefited. It is estimated that July payments benefited 5.4 million households which included 15.4 million persons. These estimates represent decreases from the previous month of 5.3 and 4.4 percent, respectively. Compared with July 1939, the number of households dropped 13.5 percent and the number of persons, 16.6 percent.

In July the largest proportion of expenditures—38.4 percent or $96.8 million—was for earnings of persons employed on work projects financed by the Work Projects Administration. Total earnings under WPA projects were only 3.5 percent less than in June but 20.7 percent below earnings in July 1939. Earnings under Federal work and construction projects other than those of the Civilian Conservation Corps, National Youth Administration, and WPA accounted for 18.7 percent—$47.3 million—of aggregate expenditures for July. Such earnings were 3.4 percent greater than in the previous month but 6.4 percent less than in July 1939.

The three special types of public assistance combined represented 21.0 percent of the total amount of public assistance and earnings under Federal work programs. The amount of pay-

Chart I.—*Public assistance and earnings of persons employed under Federal work programs in the continental United States, January 1933–July 1940*



ments to recipients of old-age assistance—15.9 percent of aggregate expenditures—totaled $40.0 million, a slight increase of 1.0 percent over payments in June but a sizable increase of 10.6 percent over the amount expended in July 1939. Total payments to recipients of aid to dependent children and aid to the blind comprised 4.4 and 0.7 percent, respectively, of total assistance and earnings in July and changed only slightly from the previous month. The total amount of obligations incurred for aid to dependent children—$11.1 million—was 1.0 percent greater than in June; total payments to recipients of aid to the blind decreased 0.1 percent to $1.8 million. Payments for both aid to dependent children and aid to the blind increased from July 1939—the former, 15.3 percent and the latter, 6.3 percent.

Of total expenditures for public assistance and earnings under Federal work programs in July, 13.1 percent or $33.2 million represented payments

Table 2.—*Amount of public assistance and earnings of persons employed under Federal work programs in the continental United States, by months, January 1938–July 1940* [1]

[In thousands]

Year and month	Total	Obligations incurred [2] for—				Subsistence payments certified by the Farm Security Administration [4]	Earnings of persons employed under Federal work programs [5]				
		Special types of public assistance [3]			General relief		Civilian Conservation Corps [6]	National Youth Administration [7]		Work Projects Administration [8]	Other Federal work and construction projects [9]
		Old-age assistance	Aid to dependent children	Aid to the blind				Student work program	Out-of-school work program		
1938 total	$3,487,181	$392,383	$97,441	$19,155	$476,202	$22,587	$230,318	$19,598	$41,560	$1,750,836	$437,101
January	237,244	31,186	7,357	1,560	46,404	2,204	19,940	1,996	2,552	93,060	30,985
February	245,819	31,403	7,572	1,598	47,207	2,473	19,461	2,166	2,688	103,092	28,159
March	263,216	31,782	7,874	1,629	47,471	2,577	18,336	2,203	2,739	119,693	28,912
April	273,946	32,072	7,880	1,527	41,113	2,325	18,311	2,255	2,766	131,419	34,278
May	283,621	32,319	7,886	1,536	37,337	2,156	18,014	2,406	3,075	137,916	40,976
June	294,349	32,276	7,987	1,562	36,747	1,756	17,174	1,550	3,585	146,068	45,644
July	298,990	32,826	8,013	1,583	35,999	1,291	19,848	----------	3,701	155,709	40,020
August	307,207	32,915	8,300	1,599	36,244	1,117	20,334	6	3,903	167,999	34,790
September	312,263	33,259	8,389	1,616	35,406	1,231	18,767	211	3,930	169,659	39,795
October	320,295	33,625	8,506	1,631	34,934	1,492	20,367	1,980	4,028	176,100	37,632
November	325,585	33,981	8,739	1,648	36,476	1,703	20,514	2,408	4,193	177,229	38,694
December	324,650	34,740	8,939	1,667	40,865	2,262	19,252	2,417	4,400	172,892	37,216
1939 total	3,494,490	430,469	114,933	20,458	481,726	19,050	230,513	22,707	51,538	1,565,224	557,872
January	316,274	35,006	9,226	1,666	43,701	2,391	20,642	2,266	4,347	160,606	36,423
February	310,087	35,120	9,392	1,679	45,028	2,327	20,689	2,457	4,472	154,765	34,158
March	318,468	35,188	9,496	1,685	46,587	2,492	18,103	2,446	4,451	162,596	35,424
April	309,348	35,299	9,210	1,692	41,277	2,242	19,974	2,494	4,318	152,457	40,385
May	308,041	35,198	9,277	1,686	39,237	1,687	20,432	2,494	4,286	147,979	45,765
June	304,526	35,797	9,583	1,700	37,052	1,284	18,637	1,935	3,993	140,597	53,948
July	279,112	36,184	9,631	1,703	36,264	828	19,317	(10)	2,561	122,112	50,512
August	276,549	36,378	9,665	1,714	38,234	1,211	19,372	5	4,145	111,593	54,232
September	258,231	36,511	9,709	1,717	38,647	846	17,097	306	4,222	93,050	56,126
October	268,558	36,335	9,836	1,726	38,699	876	19,308	2,390	4,437	101,986	52,965
November	271,760	36,626	9,896	1,737	38,277	1,156	19,321	2,952	4,864	105,589	51,342
December	273,534	36,828	10,013	1,751	38,721	1,710	17,621	2,962	5,442	111,894	46,592
1940											
January	270,511	38,526	10,389	1,764	42,597	1,992	19,426	2,852	5,816	109,759	37,390
February	274,083	38,896	10,518	1,770	41,494	2,309	19,605	3,114	6,138	115,032	35,207
March	280,520	38,726	10,727	1,778	40,218	2,805	17,479	3,266	6,251	124,363	34,907
April	279,567	38,945	10,851	1,786	37,821	2,500	18,051	3,370	5,932	119,959	40,352
May	274,834	39,061	10,904	1,793	35,388	2,144	17,908	3,427	5,554	114,353	44,302
June	256,235	39,616	10,997	1,813	32,408	1,516	15,872	2,314	5,579	100,400	45,720
July	252,347	40,020	11,102	1,811	33,154	637	18,137	----------	3,369	96,849	47,268

[1] See the *Bulletin*, February 1940, pp. 52–53, for information for 1933–37. Figures exclude cost of administration and of materials, equipment, and other items incident to operation of work programs. Figures are partly estimated and subject to revision.

[2] Beginning January 1940, include cost of hospitalization and burials.

[3] Payments to recipients from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board, and from State and local funds for programs administered under State laws without Federal participation.

[4] Figures from the FSA; represent net amount of emergency grant vouchers certified to cases and value of commodities purchased by the FSA and distributed during month.

[5] Figures include earnings of persons certified as in need and earnings of all other persons employed on work and construction projects financed in whole or in part from Federal funds. Figures for the CCC include earnings of enrolled persons only.

[6] Figures estimated by the CCC by multiplying average monthly number of persons enrolled by average of $70 for each month through June 1939, $67 for July–October, and $66.25 for subsequent months. This average amount is based on amount of obligations incurred for cash allowances and for clothing, shelter, subsistence, and medical care of persons enrolled, and for certain other items.

[7] Figures for January 1938–June 1939 from the WPA, Division of Statistics, for subsequent months from the NYA; represent earnings during all pay-roll periods ended during month.

[8] Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA and, for July 1938 and subsequent months, earnings of persons employed on Federal agency projects financed by transfer of WPA funds; cover all pay-roll periods ended during month.

[9] Figures from the Bureau of Labor Statistics, Division of Construction and Public Employment; represent earnings on other work and construction projects financed in whole or in part from Federal funds and cover all pay-roll periods ended during monthly period ended on 15th of specified month.

[10] Less than $500.

to cases receiving general relief. The total amount of obligations incurred for general relief increased 2.3 percent from June but decreased 8.6 percent from July 1939. Earnings of CCC enrollees comprised 7.2 percent of aggregate expenditures for public assistance and earnings and were 14.3 percent above the amount of earnings in June. Compared with July 1939, however, expenditures for the CCC decreased 6.1 percent.

Total expenditures for earnings under the out-of-school work program of the NYA and for subsistence payments certified by the Farm Security Administration represented very small proportions—1.3 and 0.3 percent, respectively—of aggregate assistance and earnings. Earnings under the out-of-school work program totaled $3.4 million; subsistence payments certified by the FSA, $637,000. Sizable decreases from June were reported for both of these programs—39.6 percent in earnings under the out-of-school work program of the NYA and 58.0 percent for subsistence payments certified by the FSA. The

Table 3.—*Recipients of public assistance and persons employed under Federal work programs in the continental United States, by months, January 1938–July 1940* [1]

[In thousands]

Year and month	Estimated unduplicated total [2]		Recipients of special types of public assistance [3]				Cases receiving general relief [4]	Cases for which subsistence payments were certified by the Farm Security Administration [5]	Persons employed under Federal work programs [6]				
	Households	Persons in these households	Old-age assistance	Aid to dependent children: Families	Aid to dependent children: Children	Aid to the blind			Civilian Conservation Corps [7]	National Youth Administration [8]: Student work program	National Youth Administration [8]: Out-of-school work program	Work Projects Administration [9]	Other Federal work and construction projects [10]
1938													
January	5,771	17,506	1,600	234	578	57	1,893	108	285	310	146	1,801	334
February	6,089	18,638	1,623	241	595	59	1,996	119	278	320	152	2,001	316
March	6,480	19,967	1,646	247	610	60	1,994	126	262	327	155	2,319	337
April	6,578	20,357	1,662	252	622	60	1,815	117	262	334	159	2,538	391
May	6,686	20,685	1,677	256	630	62	1,696	112	257	329	179	2,638	487
June	6,684	28,774	1,657	258	638	62	1,648	93	245	219	209	2,741	541
July	6,637	20,685	1,707	260	640	63	1,610	70	284	-------	215	2,996	460
August	6,772	21,192	1,716	265	651	64	1,581	62	290	2	219	3,122	338
September	6,812	21,217	1,731	268	659	65	1,526	69	268	49	221	3,209	365
October	7,076	21,760	1,746	271	664	65	1,497	79	291	322	220	3,282	377
November	7,162	21,964	1,762	274	672	66	1,518	89	293	364	230	3,330	377
December	7,156	21,892	1,776	280	684	67	1,631	115	275	372	240	3,156	369
1939													
January	7,131	21,740	1,787	287	700	67	1,772	126	295	372	237	3,016	352
February	7,170	21,759	1,799	296	717	67	1,844	123	296	382	242	2,990	342
March	7,177	21,739	1,813	298	720	67	1,851	127	259	380	236	3,004	350
April	6,987	20,986	1,830	296	714	68	1,724	114	285	384	228	2,786	392
May	6,806	20,233	1,832	299	721	68	1,644	87	292	372	225	2,638	439
June	6,605	19,487	1,842	311	748	68	1,568	69	266	280	214	2,570	488
July	6,251	18,466	1,858	312	750	69	1,540	46	288	(11)	207	2,279	491
August	6,032	17,627	1,871	312	750	69	1,583	72	259	1	211	1,967	496
September	5,767	16,492	1,884	313	752	69	1,671	50	255	70	225	1,715	492
October	5,999	16,969	1,894	313	752	69	1,633	50	288	362	238	1,867	475
November	6,098	17,283	1,903	313	752	69	1,565	65	292	423	261	1,946	452
December	6,183	17,695	1,908	315	759	70	1,563	97	266	434	296	2,109	403
1940													
January	6,378	18,436	1,924	325	783	70	1,689	107	293	437	322	2,203	319
February	6,451	18,716	1,929	329	792	70	1,687	115	296	456	336	2,293	295
March	6,431	18,638	1,935	334	804	71	1,630	119	264	473	335	2,294	306
April	6,247	17,941	1,944	339	814	71	1,545	86	272	482	321	2,125	339
May	6,039	17,165	1,956	343	823	71	1,461	71	270	477	296	1,963	368
June	5,710	16,108	1,970	346	831	72	1,373	60	240	313	269	1,734	393
July	5,409	15,392	1,988	350	840	72	1,377	31	274	-------	194	1,639	397

[1] See the *Bulletin*, February 1940, pp. 54–55, for information for 1933–37. Figures exclude administrative employees. Figures are partly estimated and subject to revision.

[2] Estimated by the Work Projects Administration and the Social Security Board.

[3] Includes reicpients assisted from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board, and from State and local funds for programs administered under State laws without Federal participation. Beginning January 1940, includes cases receiving hospitalization and/or burial only.

[4] Beginning January 1940, includes cases receiving hospitalization and/or burial only.

[5] Figures from the FSA; represent net number of emergency grant vouchers certified to cases and number of cases receiving commodities purchased by the FSA and distributed during month. Ordinarily only 1 grant voucher per case is certified per month.

[6] Figures include persons certified as in need and all other persons employed on work and construction projects financed in whole or in part from Federal funds. Figures for the CCC include enrolled persons only.

[7] Figures are averages computed by the CCC from reports on number of persons enrolled on 10th, 20th, and last day of each month except for the Indian Division, for which averages are computed from daily reports.

[8] Figures for January 1938–June 1939 from the WPA, Division of Statistics, for subsequent months from the NYA; represent number of different persons employed during month.

[9] Figures from the WPA, Division of Statistics; represent average weekly number of persons employed during month on projects operated by the WPA and, for July 1938 and subsequent months, persons employed on Federal agency projects financed by transfer of WPA funds.

[10] Figures from the Bureau of Labor Statistics, Division of Construction and Public Employment; represent average weekly number of persons employed on other work and construction projects financed in whole or in part from Federal funds during monthly period ended on 15th of specified month.

[11] Less than 500 persons.

out-of-school work program increased 31.6 percent from July 1939; FSA subsistence payments decreased 23.1 percent. In July, no persons were employed under the student work program of the NYA.

Chart II presents an index of total income payments in the continental United States from January 1929 through July 1940. This index indicates the relative importance of different types of income payments, including those for direct and work relief.

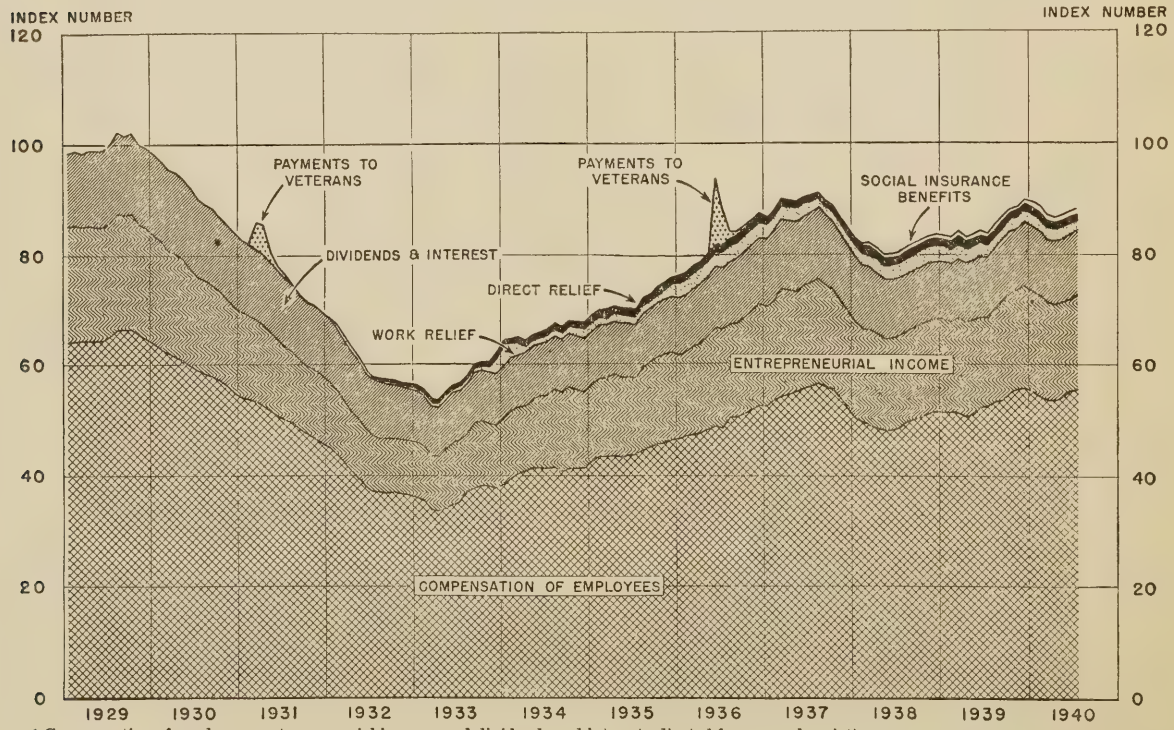
General Relief

In July assistance payments for general relief totaling $33.2 million were received by 1.4 million cases in the continental United States. Increases from June in the total number of cases and the aggregate amount of expenditures reversed the downward movement in general relief evident throughout this year. General relief payments, which are made from State and/or local funds without Federal participation, include assistance in cash and in kind and expenditures for providing medical care, hospitalization, and burials to recipients. Data on assistance payments exclude all costs of administering general relief and of special activities financed from general relief funds. Figures for July include estimates for 6 States.

In the 43 States for which complete reports were received for both June and July, the total number of cases increased slightly—0.5 percent—but the amount of obligations incurred for relief rose somewhat more—2.4 percent. Increases in the number of cases receiving relief were reported in 20 States, and in assistance payments in 19 States. The largest increases—27.8 percent in the case load and 51.0 percent in obligations incurred—were in North Carolina. The major part of the increase in this State resulted from a transfer of cases in Winston-Salem from private to public relief. Although in prior months, some public funds were used by the private agency which

Chart II.—*Index of income payments in the continental United States, January 1929–July 1940* [1]

[Average month 1929=100]



[1] Compensation of employees, entrepreneurial income, and dividends and interest adjusted for seasonal variation.

Source: U. S. Department of Commerce, National Income Division.

administers all general relief in Winston-Salem, in June general relief was furnished entirely from private funds; in July all cases were transferred to the public relief rolls. Decreases from June in both cases and payments were reported for 20 States. The largest declines occurred in West Virginia, where the case load dropped 19.2 percent and payments 22.7 percent mainly as a result of closing a sizable number of employable cases. In Alabama, Arizona, Colorado, and Mississippi an increase in the number of cases receiving relief was accompanied by a decrease in the

Table 4.—*General relief in the continental United States, by States, July 1940* [1]

[Data reported by State agencies, corrected to Aug. 25, 1940]

State	Number of cases receiving relief	Amount of obligations incurred for relief [2]	Average amount per case	Percentage change from— June 1940 in— Number of cases	June 1940 in— Amount of obligations	July 1939 in— Number of cases	July 1939 in— Amount of obligations
Total for continental United States [3]	1,377,000	$33,154,000					
Total for 43 States reporting adequate data	1,334,915	32,505,059	$24.35	+0.5	+2.4		
Alabama	2,514	23,235	9.24	+.6	−3.9	+21.6	+20.1
Arizona	3,765	49,949	13.27	+4.2	−.4	+29.7	+39.0
Arkansas	4,366	24,877	5.70	+5.2	+7.4	+13.9	+35.5
California	[4] 113,739	[4] 3,233,263	28.43	+1.3	+1.5	−8.0	−20.1
Colorado	14,897	225,852	15.16	+5.4	−1.5	+24.0	+12.3
Connecticut	18,610	526,626	28.30	−2.3	−2.5	(5)	(5)
Delaware	1,137	22,459	19.75	−9.7	−9.8	−19.4	−16.3
District of Columbia	1,925	43,717	22.71	−9.7	−16.8	+32.9	+20.9
Florida	10,058	68,112	6.77	+2.4	+17.3	+20.6	+17.3
Georgia	6,880	42,946	6.24	+2.0	+2.3	+14.0	+48.0
Idaho	2,122	32,064	15.11	−1.6	−.6	+10.8	+27.1
Illinois	159,003	3,955,223	24.88	+7.4	+8.4	−12.0	+9.6
Indiana	42,840	583,283	13.62	+2.9	+6.2	−7.2	−8.1
Iowa	29,495	514,299	17.44	+2.5	+4.9	(5)	(5)
Kansas	19,210	293,933	15.30	−2.6	−4.5	(6)	(6)
Louisiana	9,733	142,429	14.63	+.6	+.7	+24.4	+41.4
Maine	9,068	228,728	25.22	−8.6	−6.6	(5)	+7.3
Maryland	8,341	177,153	21.24	−1.4	−.4	+10.9	+8.5
Massachusetts	69,200	1,918,099	27.72	+1.6	+8.3	(5)	+8.7
Michigan	54,846	1,220,696	22.26	+1.6	+12.7	+1.8	+18.2
Minnesota	34,401	734,882	21.36	−4.3	−7.6	−2.1	−13.0
Mississippi	1,237	7,635	6.17	+6.1	−13.0	(5)	(5)
Missouri	23,588	262,258	11.12	−.2	−5.2	−27.9	−9.3
Montana	5,073	84,062	16.57	+2.9	+.9	(5)	+3.2
Nebraska	10,540	135,999	12.90	+.4	+2.2	+30.1	+24.2
Nevada	732	15,013	20.51	−15.8	−5.4	−4.6	−14.4
New Jersey	47,462	1,097,819	23.13	−1.4	−.9	−22.7	−21.9
New Mexico	2,077	18,251	8.79	−3.5	+4.0	(5)	(5)
New York	235,350	8,349,721	35.48	−2.3	−1.9	−11.5	−11.2
North Carolina	6,985	49,562	7.10	+27.8	+51.0	+40.1	+60.8
North Dakota	4,958	88,474	17.84	−2.4	−4.3	+.8	−.1
Ohio	90,303	1,454,828	16.11	+4.6	+6.3	−11.8	−10.1
Oregon	9,224	152,361	16.52	−2.8	−1.8	+13.1	+8.9
Pennsylvania	182,995	5,056,596	27.63	−.3	+5.9	−34.5	−34.9
South Carolina	2,213	20,124	9.09	+1.3	+1.1	−13.7	−12.1
Texas	13,067	107,546	8.23	+4.3	+4.4	+4.2	+1.0
Utah	5,364	111,274	20.74	−1.5	−1.1	+3.4	+7.3
Vermont	2,335	49,927	21.38	−6.1	−10.1	+.6	+.2
Virginia	6,698	66,864	9.98	−10.2	−19.0	−20.8	−17.1
Washington	[7] 10,991	[7] 152,563	13.88	−.5	−.8	−21.2	−21.0
West Virginia	12,775	142,543	11.16	−19.2	−22.7	+16.1	+24.5
Wisconsin	43,419	996,140	22.94	−5.2	+3.1	(5)	+10.8
Wyoming	1,379	23,674	17.17	−1.4	−4.5	−14.1	−25.7
Total for 6 States for which figures are estimated [8]	41,900	649,000					
Kentucky	5,700	41,000					
New Hampshire	6,300	139,000					
Oklahoma	9,900	47,000					
Rhode Island	11,000	311,000					
South Dakota	5,200	90,000					
Tennessee	3,800	21,000					

[1] These data differ from those published prior to January 1940, because they include cases receiving hospitalization and/or burial only and total obligations incurred for these services, in addition to cases receiving money payments, assistance in kind, and medical care, and obligations incurred for such assistance.

[2] From State and local funds. Excludes cost of administration; of materials, equipment, and other items incident to operation of work-relief programs; and of special programs.

[3] Partly estimated.

[4] Does not include payments for hospitalization and burials amounting to $17,156, because number of cases receiving these services only is not available.

[5] Not computed, because comparable data are not available.

[6] Not computed, because of change in reporting procedure.

[7] Does not include payments for medical care, hospitalization, and burials, amounting to $36,056, because number of cases receiving these services only is not available.

[8] Estimated by the Social Security Board for all States except New Hampshire, South Dakota, and Tennessee, for which estimates were made by State agencies.

amount of obligations. In Mississippi cases increased 6.1 percent, while payments declined 13.0 percent. In 3 States, New Mexico, Pennsylvania, and Wisconsin, the number of cases decreased but the amount of payments was above the June level.

Comparable data for general relief payments in July 1939 and July 1940 were reported by 38 States. Increases ranging from 0.2 to 60.8 percent occurred in 23 States. In 10 States—Alabama, Arizona, Arkansas, the District of Columbia, Georgia, Idaho, Louisiana, Nebraska, North Carolina, and West Virginia—the amount of obligations rose more than 20 percent from July 1939. Of the 15 States in which decreases occurred in the amount of payments, 5—California, New Jersey, Pennsylvania, Washington, and Wyoming—reported declines of more than 20 percent.

Special Types of Public Assistance

A total of $53.0 million was incurred in July for payments to recipients of old-age assistance, aid to dependent children, and aid to the blind in the 48 States, the District of Columbia, Alaska, and Hawaii. Included in this amount are payments to recipients from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board, and from State and local funds for programs administered under State laws without Federal participation. Excluded from this aggregate sum are all costs of administering the programs.

Total payments to recipients of the three special types of public assistance in July were 1.0 percent more than in June and 10.7 percent larger than in July 1939. The largest percentage increase from July of the previous year was in aid to

Table 5.—*Special types of public assistance in States with plans approved by the Social Security Board, by months, January 1938–July 1940* [1]

[Data reported by State agencies, corrected to Aug. 15, 1940]

Year and month	Number of recipients				Amount of obligations incurred for payments to recipients [3]			
	Old-age assistance	Aid to dependent children [2]		Aid to the blind	Total	Old-age assistance	Aid to dependent children [2]	Aid to the blind
		Families	Children					
1938 total					$494, 797, 218	$390, 402, 054	$93, 427, 924	$10, 967, 240
January	1, 602, 025	218, 009	541, 224	33, 595	39, 050, 567	31, 227, 485	7, 014, 662	808, 420
February	1, 625, 539	224, 737	557, 613	35, 149	39, 510, 592	31, 443, 867	7, 222, 237	844, 488
March	1, 648, 306	231, 001	572, 582	36, 393	40, 217, 107	31, 821, 575	7, 524, 472	871, 060
April	1, 664, 541	236, 241	585, 190	37, 218	40, 522, 133	32, 115, 423	7, 530, 714	875, 996
May	1, 680, 051	240, 079	594, 024	38, 131	40, 787, 565	32, 364, 745	7, 540, 168	882, 652
June	1, 659, 295	243, 422	603, 335	38, 783	40, 872, 494	32, 323, 431	7, 644, 607	904, 456
July	1, 709, 812	244, 712	606, 164	39, 596	41, 475, 321	32, 875, 578	7, 671, 460	928, 283
August	1, 719, 124	251, 743	620, 181	40, 195	41, 886, 379	32, 965, 264	7, 978, 814	942, 301
September	1, 733, 999	254, 839	628, 755	41, 002	42, 336, 545	33, 309, 172	8, 071, 316	956, 057
October	1, 638, 457	257, 415	633, 703	41, 449	40, 287, 138	31, 131, 171	8, 188, 402	967, 565
November	1, 764, 569	261, 115	641, 681	42, 256	43, 438, 019	34, 031, 996	8, 422, 218	983, 805
December	1, 779, 292	266, 222	654, 260	42, 938	44, 413, 358	34, 792, 347	8, 618, 854	1, 002, 157
1939 total					554, 771, 850	431, 130, 053	111, 191, 000	12, 450, 797
January	1, 790, 055	273, 688	670, 046	43, 355	44, 969, 281	35, 058, 634	8, 900, 364	1, 010, 283
February	1, 802, 296	282, 108	686, 532	43, 740	45, 260, 698	35, 173, 297	9, 067, 631	1, 019, 770
March	1, 815, 913	284, 262	689, 946	43, 968	45, 440, 042	35, 242, 039	9, 173, 347	1, 024, 656
April	1, 832, 586	282, 009	683, 888	44, 240	45, 281, 113	35, 354, 391	8, 899, 963	1, 026, 759
May	1, 835, 246	285, 692	691, 663	44, 161	45, 244, 848	35, 253, 819	8, 968, 947	1, 022, 082
June	1, 845, 040	297, 344	717, 990	44, 579	46, 166, 438	35, 852, 758	9, 278, 766	1, 034, 914
July	1, 860, 550	298, 627	720, 135	44, 897	46, 601, 353	36, 240, 775	9, 325, 066	1, 035, 512
August	1, 874, 090	298, 915	720, 461	45, 255	46, 824, 079	36, 431, 580	9, 349, 310	1, 043, 189
September	1, 887, 459	299, 707	722, 217	45, 308	47, 014, 370	36, 565, 702	9, 402, 706	1, 045, 962
October	1, 896, 535	300, 025	722, 040	45, 444	46, 971, 749	36, 390, 582	9, 528, 651	1, 052, 516
November	1, 905, 968	299, 995	722, 968	45, 608	47, 334, 810	36, 681, 658	9, 590, 850	1, 062, 302
December	1, 911, 330	301, 823	730, 195	45, 861	47, 663, 069	36, 884, 818	9, 705, 399	1, 072, 852
1940								
January	1, 926, 856	311, 847	753, 848	46, 101	49, 746, 454	38, 582, 749	10, 079, 456	1, 084, 249
February	1, 932, 466	315, 871	763, 317	46, 321	50, 258, 091	38, 953, 358	10, 214, 761	1, 089, 972
March	1, 938, 311	320, 727	774, 703	46, 549	50, 303, 905	38, 785, 010	10, 422, 038	1, 096, 857
April	1, 947, 545	325, 402	785, 001	46, 892	50, 659, 100	39, 004, 681	10, 549, 503	1, 104, 916
May	1, 958, 999	329, 235	793, 433	47, 221	50, 834, 506	39, 123, 085	10, 599, 694	1, 111, 727
June	1, 972, 781	333, 011	801, 752	47, 606	51, 498, 477	39, 679, 175	10, 693, 651	1, 125, 651
July	1, 991, 716	336, 315	811, 242	47, 847	52, 006, 781	40, 084, 476	10, 799, 170	1, 123, 135

[1] See the *Bulletin*, July 1939, p. 52, for information for February 1936–December 1937. Figures include recipients assisted from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board and recipients assisted from State and local funds only for programs under State laws without Federal participation administered concurrently with a similar program under an approved plan.

[2] Includes estimates for Hawaii for January–May 1938.

[3] From Federal, State, and local funds; excludes cost of administration and, prior to January 1940, of hospitalization and burials.

dependent children, which rose 15.2 percent. Payments for old-age assistance were 9.8 percent greater than in July 1939, and payments for aid to the blind, 6.0 percent.

All but 2 percent of aggregate expenditures for the special types of public assistance in July were incurred in States with plans approved by the Social Security Board. Of the total of $53.0 million, $52.0 million was spent in States providing these types of assistance under the Social Security Act. In these States, $40.1 million was for payments to 2.0 million aged recipients; $10.8 million to 336,000 families in behalf of 811,000 children; and $1.1 million to 48,000 blind recipients. Each of the 51 jurisdictions providing old-age assistance is administering such assistance under an approved plan. Aid to dependent children is provided under approved plans in 42 States, and aid to the blind in 43.

In 9 States—Alaska, Connecticut, Illinois, Iowa, Kentucky, Mississippi, Nevada, South Dakota, and Texas—aid to dependent children is administered under State laws without Federal participation. Aid to the blind is thus administered in 4 States—Illinois, Missouri, Nevada, and Pennsylvania. Kentucky has a State law for aid to the blind, but data on the status of the program are not available. Of the $1.0 million paid to recipients in July in these States, $348,000 was given to 14,000 families in behalf of 33,000 dependent children and $689,000 to 24,000 blind persons.

Old-Age Assistance

The total number of recipients of old-age assistance and the total amount of obligations incurred for payments to recipients were each 1.0 percent greater in July than in June. With the beginning of the new fiscal year, increases in both the number receiving assistance and the amount of payments were reported for all but 16 of the 51 jurisdictions administering old-age assistance.

The largest relative increase from the previous month in the number of aged persons on the assistance rolls—8.1 percent—was in Arkansas, although the amount of obligations incurred in this State rose only 4.4 percent. These increases in Arkansas continued an upward movement but at a slower rate; in June the number of recipients was greater than in May by 8.6 percent, and the amount of obligations incurred by 35.8 percent. In Virginia both the number of persons receiving assistance and the amount of assistance payments increased 5.1 percent from June to July.

A rise from June of 3.6 percent in Ohio in both the case load and the amount of assistance was attributable to an increased appropriation of the State legislature in a special session. In Missouri the number aided and the amount of payments were 4.0 and 3.1 percent, respectively, above the levels for June. Smaller increases were reported by Kentucky, Mississippi, New Hampshire, and New Mexico, where increases from 2.0 to 3.1 percent in the number of recipients were accompanied by somewhat larger expansions, ranging from 2.7 to 5.3 percent, in the total amount of payments.

Decreases of slightly more than 1 percent from June to July in both the number receiving old-age assistance and the amount of payments occurred in Delaware, Oregon, and South Carolina. In Maine the number of recipients decreased 1.8 percent, while the amount of payments declined 5.3 percent. In Oregon a review of cases resulted in the removal of a number of recipients from the assistance rolls. The decline in payments in South Carolina was made necessary by a reduction in the amount of State funds appropriated for the program. In Hawaii the number aided remained unchanged, although the amount of payments increased 4.0 percent from June. In Vermont, where the case load declined 0.1 percent, obligations incurred for assistance rose 5.1 percent.

Each of the 51 jurisdictions administering old-age assistance under plans approved by the Social Security Board in July 1940 also made payments under approved plans in July 1939. In July 1940 the number of recipients of old-age assistance in these jurisdictions was 7.0 percent greater than in July of the previous year, while the amount incurred for assistance payments was 9.8 percent greater. In 9 States—Alabama, Alaska, Arkansas, Georgia, New Hampshire, New Mexico, Pennsylvania, Tennessee, and Virginia—the increases in both the number aided and the amount of obligations incurred were greater than 15 percent. In Texas an increase of 1.0 percent in the number of recipients was accompanied by a decrease of 24.2 percent in the amount of assistance. Decreases in both items were reported for only 6 States—Delaware, Florida, Michigan, Minnesota, Oregon, and South Carolina. The largest decreases from July 1939—20.9 percent in the num-

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ber receiving assistance and 20.1 percent in the amount of payments—were in South Carolina.

Aid to Dependent Children

From June to July, in States with plans approved by the Social Security Board, aid to dependent children increased 1.0 percent both in the number of families receiving aid and in the amount of obligations incurred for payments to recipients, and 1.2 percent in the number of

Table 6.—*Old-age assistance in States with plans approved by the Social Security Board, by States, July 1940*

[Data reported by State agencies, corrected to Aug. 15, 1940]

Social Security Board region and State	Number of recipients	Amount of obligations incurred for payments to recipients [1]	Average amount per recipient	Percentage change from— June 1940 in— Number of recipients	June 1940 in— Amount of obligations	July 1939 in— Number of recipients	July 1939 in— Amount of obligations	Number of recipients per 1,000 estimated population 65 years and over [2]
Total	1,991,716	$40,084,476	$20.13	+1.0	+1.0	+7.0	+9.8	[3] 251
Region I:								
Connecticut	17,124	476,871	27.85	−.1	+3.3	+8.0	+11.2	146
Maine	13,665	284,241	20.80	−1.8	−5.3	+10.8	+11.2	159
Massachusetts	86,048	2,468,728	28.69	+1.0	+1.0	+8.2	+10.0	261
New Hampshire	5,932	128,081	21.59	+2.5	+3.3	+34.3	+19.8	112
Rhode Island	6,819	133,947	19.64	+.7	+1.4	+3.9	+7.2	152
Vermont	5,435	91,430	16.82	−.1	+5.1	−3.7	+3.7	139
Region II:								
New York	119,304	3,046,182	25.53	+.5	+.4	+7.2	+13.3	151
Region III:								
Delaware	2,642	30,074	11.38	−1.6	−1.4	−4.6	−.9	126
New Jersey	31,179	643,770	20.65	+.1	−.2	+6.8	+11.2	125
Pennsylvania	98,655	2,170,584	22.00	+.4	+.2	+21.1	+22.4	159
Region IV:								
District of Columbia	3,366	85,967	25.54	+.4	+.5	+2.9	+5.2	80
Maryland	18,429	325,675	17.67	−.5	−.5	+4.3	+5.7	168
North Carolina	35,950	362,810	10.09	+.7	+.3	+7.1	+9.2	255
Virginia	18,322	179,861	9.82	+5.1	+5.1	+27.6	+30.4	121
West Virginia	18,003	251,308	13.96	+1.0	+1.6	−.7	+4.6	236
Region V:								
Kentucky	49,944	438,867	8.79	+2.5	+3.0	+10.1	+11.8	270
Michigan	73,778	1,243,424	16.85	+.6	+.4	−10.6	−9.7	253
Ohio	127,366	2,966,394	23.29	+3.6	+3.6	+8.2	+8.0	264
Region VI:								
Illinois	138,695	2,935,923	21.17	+.3	+1.3	+3.8	+12.6	277
Indiana	66,534	1,202,038	18.07	+.4	+.7	+3.3	+6.9	230
Wisconsin	51,909	1,167,833	22.50	+.7	+1.1	+10.3	+15.2	236
Region VII:								
Alabama	20,064	186,418	9.29	+.6	−.1	+17.3	+15.6	182
Florida	35,707	432,019	12.10	+1.4	+2.1	−3.2	−10.9	376
Georgia	28,355	227,206	8.01	+.4	+.6	+27.0	+25.4	218
Mississippi	21,932	183,493	8.37	+2.0	+2.7	+10.8	+25.8	244
South Carolina	19,496	161,078	8.26	−1.5	−1.2	−20.9	−20.1	315
Tennessee	40,196	405,183	10.08	−.3	−.2	+48.3	+46.9	298
Region VIII:								
Iowa	55,315	1,147,953	20.75	+.4	−.5	+5.6	+8.3	253
Minnesota	62,850	1,332,976	21.21	−.1	−1.3	−5.3	−3.0	322
Nebraska	27,935	462,635	16.56	+.5	+.9	+2.9	+9.6	285
North Dakota	8,758	145,914	16.66	−.7	−1.4	+6.0	−.3	243
South Dakota	14,813	291,784	19.70	+.4	+.4	+7.3	+21.1	353
Region IX:								
Arkansas	21,348	156,023	7.31	+8.1	+4.4	+26.0	+53.6	267
Kansas	27,209	531,739	19.54	+.2	+.4	(4)	(4)	225
Missouri	95,737	1,527,726	15.96	+4.0	+3.1	+25.7	+6.4	307
Oklahoma	73,071	1,294,941	17.72	+.4	+.5	+6.8	+7.1	614
Region X:								
Louisiana	31,931	380,329	11.91	+.2	+.2	+6.6	+19.7	453
New Mexico	4,622	68,221	14.76	+3.1	+5.3	+18.3	+47.4	320
Texas	118,368	1,257,069	10.62	(5)	+3.0	+1.0	−24.2	415
Region XI:								
Arizona	8,221	231,686	28.18	+1.0	+1.8	+10.4	+16.2	484
Colorado	[6] 41,255	[6] 1,391,237	33.72	+.3	+.2	+5.8	+10.1	[6] 509
Idaho	8,954	197,502	22.06	+.2	+.5	+6.9	+9.8	309
Montana	12,178	220,070	18.07	(7)	(7)	−.7	+.5	393
Utah	13,547	288,257	21.28	−.7	−.4	−.7	+1.2	502
Wyoming	3,420	81,102	23.71	+.5	+.5	+7.4	+10.2	343
Region XII:								
California	143,459	5,445,639	37.96	+1.2	+1.2	+8.0	+26.4	312
Nevada	2,287	60,650	26.52	+.7	+.6	+2.9	+2.8	381
Oregon	18,953	405,271	21.38	−1.1	−1.1	−6.3	−6.4	226
Washington	39,407	872,001	22.13	+.5	+.5	+1.4	+1.2	315
Territories:								
Alaska	1,460	41,037	28.11	+.2	+.4	+17.2	+19.5	365
Hawaii	1,769	23,309	13.18	(8)	+4.0	−.5	+3.8	177

[1] From Federal, State, and local funds; excludes cost of administration.
[2] Population as of July 1, 1938, estimated with advice of the U. S. Bureau of the Census.
[3] Adjustments have been made for grants covering 2 or more eligible individuals for Alabama, Arkansas, Georgia, Kansas, Louisiana, New Mexico, North Carolina, South Carolina, Tennessee, West Virginia, Wyoming, and Hawaii.
[4] Not computed, because of change in reporting procedure.
[5] Decrease of less than 0.1 percent.
[6] Includes $120,718 incurred for direct payments to 3,600 persons 60 but under 65 years of age, and $250 for burial payments to persons 60 but under 65. Rate per 1,000 excludes these recipients.
[7] Increase of less than 0.1 percent.
[8] No change.

children in whose behalf aid was granted. Both the numbers receiving aid and the amount of assistance rose in all but 17 of the 42 States providing aid under the Social Security Act; decreases from June in the number of families and children and the amount of payments were reported for only 9 States. The percentage changes from the previous month in 32 States were less than 2 percent.

The largest relative increases from June occurred in Virginia, where the number of families receiving aid and the amount of payments were

Table 7.—*Aid to dependent children in States with plans approved by the Social Security Board, by States, July 1940*

[Data reported by State agencies, corrected to Aug. 15, 1940]

Social Security Board region and State	Number of recipients		Amount of obligations incurred for payments to recipients [1]	Average amount per family	Percentage change from—						Number of recipients per 1,000 estimated population under 16 years [2]
					June 1940 in—			July 1939 in—			
					Number of recipients		Amount of obligations	Number of recipients		Amount of obligations	
	Families	Children			Families	Children		Families	Children		
Total	336,315	811,242	$10,799,170	$32.11	+1.0	+1.2	+1.0	+12.6	+12.7	+15.7	27
Region I:											
Maine	1,545	3,945	59,739	38.67	+1.2	+1.2	+1.0	+13.6	+13.1	+16.8	17
Massachusetts	12,214	[3] 30,635	706,195	57.82	+1.2	+.5	−.1	+16.3	+22.8	+16.4	[3] 27
New Hampshire	668	1,709	29,641	44.37	−.7	−1.0	−1.7	+40.3	+37.5	+58.5	13
Rhode Island	1,241	3,441	56,241	45.32	+2.6	+5.2	+2.0	+7.9	+12.1	+5.7	19
Vermont	576	1,665	18,886	32.79	+1.2	+.8	+1.1	+25.5	+21.6	+39.3	16
Region II:											
New York	36,005	70,940	1,621,289	45.03	−.1	−.4	−.2	−1.7	−2.2	−7.3	23
Region III:											
Delaware	504	[3] 1,365	16,469	32.68	−1.8	−1.6	−1.5	+2.2	+18.0	+8.9	[3] 20
New Jersey	11,209	25,157	347,778	31.03	+.3	+.5	+.7	+3.9	+6.1	+8.3	22
Pennsylvania	39,092	90,418	1,411,079	36.10	+2.7	+4.4	+3.2	+34.5	+33.5	+37.4	31
Region IV:											
District of Columbia	942	2,792	35,037	37.19	+1.0	+1.3	+.8	−1.4	−.4	−1.8	22
Maryland	7,219	19,436	224,387	31.08	−1.5	−1.5	−1.7	−3.0	−4.0	−2.3	43
North Carolina	9,389	23,253	155,815	16.60	+.4	−.2	+.1	+15.5	+9.1	+24.5	18
Virginia	3,337	10,352	68,390	20.49	+12.2	+10.4	+12.2	+180.2	+165.0	+159.8	12
West Virginia	7,943	21,850	182,923	23.03	+1.7	+1.5	+2.8	+9.5	+6.6	+22.3	34
Region V:											
Michigan	19,020	[3] 46,602	733,205	38.55	+2.0	+1.8	+2.3	+31.1	+40.4	+48.7	[3] 35
Ohio	9,991	[3] 27,954	388,604	38.90	+.6	+.8	+1.5	−4.0	−6.5	−3.3	[3] 16
Region VI:											
Indiana	17,392	35,798	490,788	28.22	+.2	+.2	+.4	+3.1	+3.0	+5.7	39
Wisconsin	12,363	[4] 28,273	469,434	37.97	+.5	+.5	+.4	+7.6	+6.6	+10.3	[4] 32
Region VII:											
Alabama	5,887	17,178	81,757	13.89	−.5	+.3	−2.4	+6.2	+4.4	+15.9	17
Florida	[5] 3,630	[5] 9,788	[5] 82,903	22.84	−4.0	+1.5	+.2	+3.6	+7.5	+2.7	20
Georgia	3,787	9,701	77,289	20.41	−.7	−1.0	−.7	+2.2	−3.5	+1.8	9
South Carolina	2,932	8,754	48,194	16.44	−1.1	−2.1	−.8	−37.7	−36.6	−37.2	13
Tennessee	14,173	35,922	260,630	18.39	−.1	−.3	−.1	+45.7	+38.8	+46.0	39
Region VIII:											
Minnesota	8,887	[3] 21,317	304,974	34.32	+.3	+.5	(6)	+14.1	+11.4	+11.8	[3] 29
Nebraska	[7] 5,499	[7] 12,235	[7] 149,988	27.28	+1.3	+1.2	+1.0	+10.2	+8.6	+24.4	32
North Dakota	2,388	[3] 6,632	74,292	31.11	+.8	+.9	+.7	+14.9	+14.1	+10.5	[3] 29
Region IX:											
Arkansas	5,118	13,252	59,727	11.67	+10.0	+9.1	+7.0	+28.6	+22.2	+84.8	19
Kansas	6,414	14,895	188,792	29.43	(8)	+.3	−.5	(9)	(9)	(9)	29
Missouri	11,234	26,962	268,916	23.94	+1.4	+1.7	+1.8	+11.6	+13.5	+38.6	26
Oklahoma	18,794	43,135	272,609	14.51	+1.3	+1.2	+1.4	+11.6	+11.3	+34.4	53
Region X:											
Louisiana	13,251	37,110	313,675	23.67	+1.3	+1.5	+1.2	+19.6	+17.5	+32.7	55
New Mexico	1,935	5,632	48,882	25.26	+2.5	+2.7	+2.9	+12.8	+12.9	+32.5	39
Region XI:											
Arizona	2,539	7,102	82,080	32.33	−.2	+.6	+.2	+1.3	+4.1	+2.5	55
Colorado	6,058	14,662	180,032	29.72	+1.6	+1.1	+.6	+24.1	+22.6	+24.0	50
Idaho	2,914	[3] 7,180	83,971	28.82	+.7	+1.0	+1.1	+10.2	+14.0	+17.9	[3] 46
Montana	2,377	5,750	66,390	27.93	+.3	+.2	+.1	+9.5	+13.0	+14.0	38
Utah	3,474	8,688	125,985	36.27	+2.4	+3.6	+4.9	+7.3	+11.8	+15.3	50
Wyoming	735	1,828	23,578	32.08	−1.6	−1.0	−1.0	+5.3	+5.7	+8.7	27
Region XII:											
California	15,546	[3] 37,619	712,661	45.84	+.2	−.3	+.8	+12.5	+9.6	+22.3	[3] 28
Oregon	1,980	[10] 4,698	78,561	39.68	(11)	+.5	+.3	+10.4	+17.9	+8.8	[10] 17
Washington	4,956	[3] 11,726	155,542	31.38	−.5	−.7	−.5	−1.4	+2.9	+5.8	[3] 29
Territory:											
Hawaii	1,157	3,891	41,851	36.17	+.8	+.8	+1.7	+16.4	+11.0	+18.2	29

[1] From Federal, State, and local funds; excludes cost of administration.
[2] Population as of July 1, 1938, estimated with advice of the U. S. Bureau of the Census.
[3] Includes an unknown number of children 16 years of age and over.
[4] Includes approximately 2,884 children 16 years of age and over. Rate per 1,000 excludes these children.
[5] Includes aid to dependent children administered under State law without Federal participation.
[6] Increase of less than 0.1 percent.
[7] In addition, in 66 counties payments amounting to $14,970 were made from local funds without Federal participation to 858 families in behalf of 1,939 children under the State mothers'-pension law. Some families receiving aid from this source for July also received aid under State plan for aid to dependent children approved by the Social Security Board.
[8] Decrease of less than 0.1 percent.
[9] Not computed, because of change in reporting procedure.
[10] Includes 555 children 16 years of age and over. Rate per 1,000 excludes these children.
[11] No change.

each 12.2 percent greater than in the previous month while the number of children rose 10.4 percent. In Arkansas the number of families increased 10.0 percent; the number of children, 9.1 percent; and obligations, 7.0 percent.

Decreases from June of 2 percent or less in the number of families and children receiving aid and in the amount of obligations incurred for assistance payments were reported in Delaware, Georgia, Maryland, New Hampshire, New York, South Carolina, Tennessee, Washington, and Wyoming. A sizable decrease—4.0 percent—in the number of families receiving aid in Florida was accompanied by increases of 1.5 and 0.2 percent, respectively, in the number of children and the amount of payments.

The 42 States administering aid to dependent children under plans approved by the Social

Table 8.—*Aid to the blind in States with plans approved by the Social Security Board, by States, July 1940*

[Data reported by State agencies, corrected to Aug. 15, 1940]

Social Security Board region and State	Number of recipients	Amount of obligations incurred for payments to recipients [1]	Average amount per recipient	Percentage change from— June 1940 in— Number of recipients	June 1940 in— Amount of obligations	July 1939 in— Number of recipients	July 1939 in— Amount of obligations	Number of recipients per 100,000 estimated population [2]
Total	47,847	$1,123,135	$23.47	+0.5	−0.2	+6.5	+8.0	49
Region I:								
Connecticut	[3] 234	[3] 6,142	26.25	−4.9	−5.2	+9.3	+21.7	13
Maine	1,210	27,684	22.88	−1.9	−2.6	−2.5	−7.6	141
Massachusetts	1,193	27,845	23.34	+.8	+1.4	+4.1	+8.5	27
New Hampshire	316	7,237	22.90	−1.6	−2.6	−1.6	+.9	62
Rhode Island	67	1,176	17.55	(4)	(4)	(4)	(4)	10
Vermont	153	3,395	22.19	(5)	−6.0	−1.9	+5.0	40
Region II:								
New York	2,839	72,245	25.45	−.3	−.8	+5.5	+9.2	22
Region III:								
New Jersey	718	16,777	23.37	−.3	+.1	+12.7	+15.2	17
Region IV:								
District of Columbia	215	5,539	25.77	+2.4	+2.2	+2.9	+3.6	34
Maryland	679	14,412	21.23	−.6	−.2	+3.3	+4.3	40
North Carolina	1,900	28,550	15.03	−2.4	−1.7	−1.2	+1.3	54
Virginia	1,031	12,963	12.57	+.8	−.3	+20.7	+19.8	38
West Virginia	814	14,345	17.62	+.9	+2.0	+.9	+8.3	44
Region V:								
Michigan	905	19,495	21.54	+4.9	+4.4	+19.9	+12.2	19
Ohio	3,979	78,259	19.67	+.4	+.8	+.7	+.1	59
Region VI:								
Indiana	2,432	50,973	20.96	−.3	−10.4	−1.5	+3.5	70
Wisconsin	2,015	46,979	23.31	+.3	+.6	+1.2	+3.3	69
Region VII:								
Alabama	600	5,296	8.83	(5)	−1.8	+10.9	+10.2	21
Florida	[3] 2,399	[3] 30,639	12.77	+2.0	+2.4	+5.4	−3.4	144
Georgia	1,114	11,268	10.11	+.3	+.6	+12.4	+13.8	36
Mississippi	804	6,413	7.98	+3.1	+3.5	+38.4	+53.9	40
South Carolina	800	8,699	10.87	+.8	+1.3	−13.2	−14.3	43
Tennessee	1,607	17,797	11.07	(5)	(6)	+3.2	+4.1	56
Region VIII:								
Iowa	1,470	35,231	23.97	+.7	+.5	+5.2	+7.9	58
Minnesota	933	25,101	26.90	−.2	−1.2	+13.9	+21.2	35
Nebraska	[3] 694	[3] 13,829	19.93	+.9	+1.3	+14.5	+8.7	51
North Dakota	196	4,207	21.46	+3.3	+4.0	+55.6	+69.6	28
South Dakota	241	4,237	17.58	+1.3	+.2	+4.8	+9.3	35
Region IX:								
Arkansas	905	7,546	8.34	+11.5	+8.1	+44.3	+84.8	44
Kansas	1,275	26,402	20.71	+.2	−2.0	(7)	(7)	68
Oklahoma	2,227	34,421	15.46	(8)	+.5	+5.5	+10.2	87
Region X:								
Louisiana	1,069	15,974	14.94	+.2	+.5	+14.9	+26.7	50
New Mexico	239	4,227	17.69	+2.6	+3.7	+15.5	+34.7	57
Region XI:								
Arizona	362	10,239	28.28	+1.7	+5.2	+11.4	+24.8	88
Colorado	628	18,238	29.04	−1.9	−1.9	+1.1	−3.5	59
Idaho	277	6,075	21.93	−.4	−.6	−3.5	−1.1	56
Montana	207	4,338	20.96	+6.2	+5.4	+39.9	+39.8	38
Utah	197	5,097	25.87	−2.5	−6.1	−7.5	−8.2	38
Wyoming	148	4,061	27.44	(5)	−.6	−3.9	−5.6	63
Region XII:								
California	7,202	345,680	48.00	+.6	+.5	+9.9	+9.7	117
Oregon	446	11,272	25.27	−1.3	−1.2	−.2	−.3	43
Washington	1,039	31,747	30.56	+.2	+.4	+4.1	+5.0	63
Territory:								
Hawaii	68	1,085	15.96	(4)	(4)	(4)	(4)	17

[1] From Federal, State, and local funds; excludes cost of administration.
[2] Population as of July 1, 1937, estimated by the U. S. Bureau of the Census.
[3] Includes aid to the blind administered under State law without Federal participation.
[4] Not computed, because figures too small for comparison.
[5] No change.
[6] Increase of less than 0.1 percent.
[7] Not computed, because of change in reporting procedure.
[8] Decrease of less than 0.1 percent.

Security Board in July of this year also granted aid under the Social Security Act in July 1939. In comparison with July of the previous year, the number of families and children receiving aid and the total amount of assistance in these 42 States in July 1940 were, respectively, 12.6, 12.7, and 15.7 percent greater. Increases from July 1939 of more than 20 percent in both the numbers receiving aid and the amount of payments occurred in 8 States—Arkansas, Colorado, Michigan, New Hampshire, Pennsylvania, Tennessee, Vermont, and Virginia. The large increases in Pennsylvania were the result of transfer of families from the general relief rolls to the program for aid to dependent children over a period of months, after the establishment of more liberal eligibility requirements for the latter program.

The largest percentage decreases from July 1939 in aid to dependent children were reported for South Carolina, where the State appropriation for the new fiscal year is less than for the previous year.

Aid to the Blind

Although the number of recipients of aid to the blind in 43 States with plans approved by the Social Security Board was 0.5 percent above the number in June, the amount of obligations incurred for payments to recipients was 0.2 percent below the June total. Increases in both the number of recipients and the amount of payments were reported by 23 States, but sizable increases occurred in only a few of these States. Twelve States reported decreases in both items.

As in the case of old-age assistance, the largest percentage increases were in Arkansas, where the number of recipients increased 11.5 percent and the amount of assistance, 8.1 percent. In North Dakota the number receiving aid to the blind was 8.3 percent higher in July, and the amount of payments to recipients was 4.0 percent larger than in the previous month. Montana reported increases from June of 6.2 percent in recipients and 5.4 percent in obligations. In Michigan the number assisted and total payments rose 4.9 and 4.4 percent, respectively.

Four States reported comparatively large decreases from June to July. In Connecticut, the number receiving aid to the blind declined 4.9 percent and the amount of payments decreased 5.2 percent. In Indiana, a decline of 0.3 percent in recipients was accompanied by a decrease of 10.4 percent in assistance given. In Utah, where the number aided decreased 2.5 percent in July, obligations incurred for payments to recipients fell 6.1 percent below the amount for June. Although the number receiving aid in Vermont in July was the same as in the previous month, the amount of assistance dropped 6.0 percent.

In the 43 jurisdictions, all of which made payments for aid to the blind under approved plans for July 1939 as well as for July 1940, the number of recipients was 6.5 percent larger in July of this year and the amount of obligations incurred for payments to recipients was greater by 8.0 percent. In 10 States—Arizona, Arkansas, Connecticut, Louisiana, Minnesota, Mississippi, Montana, New Mexico, North Dakota, and Virginia—increases of more than 20 percent occurred in either the number of recipients or the amount of payments.

Sizable decreases from July 1939 in the number of recipients and the amount of payments occurred in only a few States. The largest relative decreases—13.2 percent in the number receiving assistance and 14.3 percent in the amount of assistance—were in South Carolina, where a smaller amount of State funds for aid to the blind necessitated a reduction in the program. In Utah, recipients in July 1940 were 7.5 percent, and obligations incurred were 8.2 percent below levels in July of the previous year. The number receiving aid to the blind in Maine was 2.5 percent less than in July 1939, while the amount of payments dropped 7.6 percent.

STATISTICS BY STATES, JUNE 1940

Total expenditures for payments to recipients of public assistance and for earnings of persons employed under Federal work programs decreased 6.8 percent from May to June in the continental United States. In the 46 jurisdictions reporting declines, the decreases ranged from 1.9 to 16.3 percent. The three States in which increases occurred were Colorado, Connecticut, and New Hampshire. In Connecticut, expenditures moved upward 12.4 percent, but the increases in the other two States were small.

Amounts smaller than in May were reported in all jurisdictions for earnings of persons employed on projects operated by the Work Projects Administration, in 48 jurisdictions for earnings of persons enrolled in the Civilian Conservation

Table 9.—*Amount of public assistance and earnings of persons employed under Federal work programs in the continental United States, by States, June 1940* [1]

[In thousands]

State	Total	Obligations incurred for—				Subsistence payments certified by the Farm Security Administration	Earnings of persons employed under Federal work programs				
		Special types of public assistance			General relief		Civilian Conservation Corps	National Youth Administration		Work Projects Administration	Other Federal work and construction projects
		Old-age assistance	Aid to dependent children	Aid to the blind				Student work program	Out-of-school work program		
Total	[2] $256,234	$39,616	$10,997	$1,813	$32,408	$1,516	$15,872	$2,314	$5,579	$100,400	[2] $45,720
Alabama	3,651	187	84	5	24	81	460	15	147	1,648	1,000
Arizona	1,216	228	82	10	50	62	169	13	13	381	208
Arkansas	2,399	149	56	7	23	17	518	6	84	1,307	230
California	18,956	5,382	707	344	3,186	204	494	139	177	5,256	3,068
Colorado	3,630	1,389	179	19	229	65	151	24	28	1,116	429
Connecticut	2,917	461	[3] 70	6	540	(4)	102	25	53	957	701
Delaware	360	30	17	----------	25	1	24	4	11	153	96
District of Columbia	3,015	86	35	5	53	----------	46	18	25	754	1,995
Florida	3,082	423	83	30	58	15	247	26	84	1,353	764
Georgia	3,389	226	78	11	42	25	503	28	173	1,682	620
Idaho	968	196	83	6	32	25	60	9	34	416	106
Illinois	18,954	2,898	[3] 168	[3] 205	3,650	10	765	175	243	8,306	2,532
Indiana	6,069	1,193	489	57	549	3	324	44	123	2,658	628
Iowa	3,574	1,153	[3] 62	35	490	4	176	61	91	1,133	369
Kansas	2,799	530	190	27	308	41	225	26	68	1,121	263
Kentucky	3,687	426	[3] 8	----------	[3] 43	19	378	17	153	1,710	934
Louisiana	3,327	379	310	16	141	12	358	18	173	1,274	646
Maine	1,571	300	59	28	245	5	100	15	60	321	436
Maryland	2,725	327	228	14	178	5	144	24	61	885	858
Massachusetts	12,720	2,445	707	27	1,771	(4)	451	75	160	4,407	2,675
Michigan	8,349	1,239	717	19	1,084	13	495	118	171	3,915	578
Minnesota	5,671	1,351	305	25	795	20	416	68	155	2,132	404
Mississippi	2,509	179	[3] 1	6	9	25	360	23	99	1,188	620
Missouri	7,659	1,481	264	[3] 91	277	123	644	73	152	3,809	744
Montana	1,628	220	66	4	83	94	123	6	27	553	452
Nebraska	2,744	459	149	14	133	34	175	32	61	1,207	481
Nevada	357	60	2	(4)	16	1	15	1	6	89	167
New Hampshire	1,458	124	30	7	159	1	35	6	29	355	711
New Jersey	9,123	645	346	17	1,107	3	431	79	173	3,609	2,713
New Mexico	1,211	65	48	4	18	115	129	11	45	568	209
New York	28,261	3,035	1,625	73	8,513	10	990	313	645	9,378	3,680
North Carolina	3,497	362	156	29	33	36	404	38	127	1,721	592
North Dakota	1,240	148	74	4	92	35	190	21	39	515	122
Ohio	14,381	2,863	383	78	1,369	6	730	116	200	7,460	1,176
Oklahoma	4,506	1,289	269	34	[3] 54	75	598	47	112	1,685	344
Oregon	2,129	410	78	11	155	10	119	16	20	852	457
Pennsylvania	23,985	2,166	1,368	392	4,773	12	990	171	393	9,275	4,444
Rhode Island	1,935	132	55	1	[3] 285	(4)	13	16	33	634	765
South Carolina	3,034	163	49	9	20	12	346	33	96	1,444	863
South Dakota	1,404	291	32	4	89	94	162	12	33	541	145
Tennessee	4,049	406	261	18	[3] 22	7	430	27	88	1,608	1,183
Texas	7,685	1,221	1	----------	103	100	1,053	111	400	3,488	1,208
Utah	1,381	289	120	5	112	16	62	24	26	558	168
Vermont	489	87	19	4	56	3	25	9	13	198	76
Virginia	3,848	171	61	13	83	2	361	42	133	1,095	1,886
Washington	5,373	868	156	32	154	27	227	25	68	1,562	2,256
West Virginia	2,932	247	178	14	184	7	269	26	115	1,638	253
Wisconsin	5,795	1,155	468	47	966	17	349	85	148	2,323	237
Wyoming	592	81	24	4	25	20	37	6	10	160	226

[1] See footnotes to table 2. [2] Includes less than $500 not distributed by States. [3] Estimated. [4] Less than $500.

Corps, and in 47 States for earnings under the student work program of the National Youth Administration. Expenditures for general relief declined in 39 States, and subsistence payments certified by the Farm Security Administration in 34. Earnings under the out-of-school work program of the NYA were less than in May in 31 jurisdictions.

Increases from May in the aggregate amount of earnings of persons employed on other Federal work and construction projects were reported in 33 States. In 40 States the total amount of obligations incurred for old-age assistance was greater than in May, while aid to dependent children and aid to the blind increased over the previous month in 33 and 31 States, respectively.

Table 10.—*Recipients of public assistance and persons employed under Federal work programs in the continental United States, by States, June 1940* [1]

State	Recipients of special types of public assistance				Cases receiving general relief	Cases for which subsistence payments were certified by the Farm Security Administration	Persons employed under Federal work programs				
	Old-age assistance	Aid to dependent children		Aid to the blind			Civilian Conservation Corps	National Youth Administration		Work Projects Administration	Other Federal work and construction projects
		Families	Children					Student work program	Out-of-school work program		
Total	1,969,555	346,269	831,059	71,870	1,373,187	60,310	239,573	313,367	269,195	1,734,497	[2] 392,621
Alabama	19,940	5,914	17,134	600	2,498	1,262	6,950	1,903	6,196	34,523	9,889
Arizona	8,136	2,544	7,058	356	3,614	4,234	2,547	1,855	670	5,740	1,738
Arkansas	19,755	4,654	12,147	812	4,149	799	7,823	1,043	4,105	26,941	2,946
California	141,792	15,519	37,723	7,161	112,322	8,383	7,455	16,124	9,522	75,571	23,414
Colorado	41,152	5,960	14,506	640	14,133	3,001	2,282	2,564	1,425	17,234	3,684
Connecticut	17,148	[3] 1,400	[3] 3,300	246	19,053	2	1,545	3,666	2,471	16,724	5,508
Delaware	2,686	513	1,387	----------	1,259	34	358	547	649	2,736	970
District of Columbia	3,353	933	2,757	210	2,131	----------	688	1,682	1,337	10,799	13,078
Florida	35,222	3,783	9,641	2,351	9,820	548	3,730	3,665	5,926	25,379	8,852
Georgia	28,243	3,815	9,799	1,111	6,744	1,127	7,600	3,398	8,863	35,388	7,942
Idaho	8,933	2,894	7,109	278	2,156	770	904	808	1,406	7,237	1,079
Illinois	138,291	[3] 7,500	[3] 17,000	[3] 7,700	148,035	469	11,545	24,434	14,805	135,737	17,218
Indiana	66,255	17,365	35,736	2,439	41,635	133	4,886	4,611	6,906	47,345	5,382
Iowa	55,109	[3] 3,000	[3] 7,000	1,460	28,789	141	2,651	7,307	4,989	19,093	4,197
Kansas	27,147	6,416	14,857	1,273	19,726	2,469	3,399	3,855	5,425	20,374	3,499
Kentucky	48,734	[3] 290	[3] 995	----------	[3] 5,700	238	5,704	1,468	6,029	34,463	8,554
Louisiana	31,882	13,081	36,575	1,067	9,677	528	5,398	1,815	6,059	24,783	6,464
Maine	13,909	1,527	3,897	1,233	9,924	184	1,516	2,065	2,098	6,246	4,470
Maryland	18,516	7,326	19,739	683	8,462	210	2,167	3,138	3,988	15,220	6,407
Massachusetts	85,186	12,074	30,486	1,183	68,133	17	6,801	11,789	6,978	65,910	20,679
Michigan	73,302	18,639	45,797	863	53,976	450	7,473	15,577	7,965	67,155	5,693
Minnesota	62,908	8,864	21,220	935	35,948	983	6,286	10,148	6,555	35,674	3,861
Mississippi	21,510	[3] 104	[3] 162	780	1,166	1,103	5,439	3,262	5,932	25,758	8,449
Missouri	92,032	11,076	26,519	[3] 3,655	23,633	1,910	9,718	9,568	9,360	64,411	9,131
Montana	12,175	2,370	5,741	195	4,931	3,790	1,862	630	1,420	8,736	3,630
Nebraska	27,784	5,428	12,094	688	10,501	2,115	2,639	4,646	2,927	20,196	5,544
Nevada	2,272	99	239	14	869	22	233	143	327	1,470	1,173
New Hampshire	5,785	673	1,727	321	6,872	41	527	566	1,508	6,234	4,925
New Jersey	31,145	11,174	25,037	720	48,138	102	6,505	11,707	6,737	58,511	21,508
New Mexico	4,483	1,888	5,486	233	2,152	5,873	1,947	1,771	2,162	9,024	2,032
New York	118,750	36,058	71,210	2,847	240,870	349	14,938	42,854	24,932	145,146	27,394
North Carolina	35,694	9,352	23,291	1,947	5,465	399	6,093	4,964	6,658	37,460	7,398
North Dakota	8,822	2,368	6,575	181	5,080	1,943	2,867	2,373	2,467	9,598	1,361
Ohio	122,885	9,934	27,731	3,964	86,345	292	11,018	17,080	10,969	118,994	10,942
Oklahoma	72,750	18,557	42,623	2,228	[3] 12,400	2,706	9,028	5,517	5,326	37,843	3,805
Oregon	19,173	1,980	4,674	452	9,491	279	1,801	1,610	1,185	12,658	3,640
Pennsylvania	98,218	38,049	86,630	12,962	183,601	445	14,942	29,071	20,477	158,605	35,877
Rhode Island	6,772	1,210	3,270	65	[3] 10,500	10	195	2,039	1,630	10,952	5,552
South Carolina	19,796	2,964	8,943	794	2,185	413	5,218	5,435	4,394	28,668	8,938
South Dakota	14,752	1,922	4,243	238	5,319	5,470	2,444	1,225	1,970	9,463	1,799
Tennessee	40,303	14,187	36,041	1,607	[3] 3,800	118	6,487	2,461	5,600	33,600	10,487
Texas	118,380	91	[3] 230	----------	12,523	3,886	15,889	14,957	15,157	73,246	13,656
Utah	13,639	3,392	8,389	202	5,445	583	939	2,346	1,359	8,702	1,442
Vermont	5,442	569	1,652	153	2,488	44	374	1,128	746	3,833	774
Virginia	17,438	2,975	9,376	1,023	7,460	30	5,456	6,325	6,209	26,259	17,111
Washington	39,192	4,979	11,813	1,037	11,051	761	3,419	1,891	3,502	23,557	13,687
West Virginia	17,816	7,809	21,526	807	15,820	106	4,067	3,572	5,743	30,011	2,617
Wisconsin	51,545	12,303	28,128	2,008	45,800	825	5,262	11,956	5,513	38,713	2,130
Wyoming	3,403	747	1,846	148	1,398	713	558	808	618	2,577	2,091

[1] See footnotes to table 3. [2] Includes 4 persons not distributed by States. [3] Estimated.

STATISTICS FOR URBAN AREAS

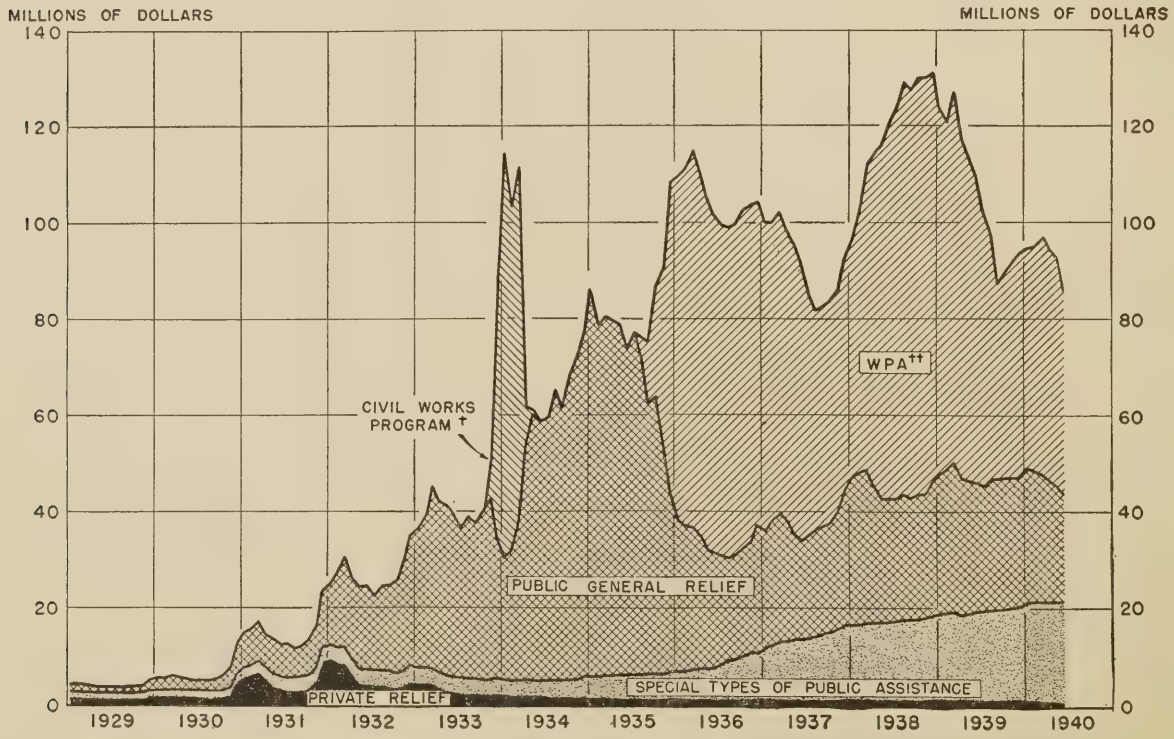
Public and Private Aid in 116 Urban Areas June 1940

Total expenditures for June in 116 urban areas were $85.3 million for payments to recipients of the special types of public assistance, public general relief, and private assistance, and for earnings of persons employed on projects operated by the Work Projects Administration. This total excludes all costs of administering the several programs and of materials, supplies, and equipment necessary for the operation of work projects. Data on earnings of persons enrolled in the Civilian Conservation Corps and earnings under the work programs of the National Youth Administration, on Federal agency projects financed by transfer of WPA funds, and on other Federal work and construction projects are not available for the urban areas.

June expenditures were 7.6 percent below those for May and 22.1 percent below those for June 1939. The amount of assistance and earnings in June 1940 dropped both from the preceding month and from June of the previous year for all programs except the three special types of public assistance. The largest declines—11.6 percent from May 1940 and 35.0 percent from June 1939—were reported for the amount of earnings on projects operated by the WPA, which totaled $41.7 million in June of this year. The amount of assistance to cases receiving general relief from public agencies dropped to $22.2 million, a decline of 7.0 percent from May and 14.9 percent from June 1939. Private assistance, which totaled $816,000 in June 1940, was 9.6 percent below the amount for May and 7.9 percent below that for June 1939.

From May to June 1940, there was a slight increase of 0.9 percent in total assistance to recipients of the three special types of public assistance in the urban areas. The total of $20.6 million

Chart I.—*Public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration and under the Civil Works Program in 116 urban areas, January 1929–June 1940*



†Earnings of all persons employed under the Civil Works Program, including administrative staff.
††Earnings on projects operated by the WPA within the areas.

expended for June represented an increase of 11.9 percent over payments for the same month in 1939. Old-age assistance increased 1.0 percent from May to June; aid to dependent children, 0.6 percent; and aid to the blind, 0.8 percent. Payments for old-age assistance were greater than in June 1939 by 13.8 percent; those for aid to dependent children, by 7.7 percent; and payments for aid to the blind, by 6.0 percent.

Of the total of $85.3 million expended in the urban areas, expenditures for earnings on projects operated by the WPA represented 48.8 percent. Expenditures for public general relief were 26.0 percent of the total and assistance to recipients of the special types of public assistance were 24.2 percent. Of the proportion of the total expended for the three special types of assistance, 17.2 percent was for old-age assistance, 6.1 percent for aid to dependent children, and 0.9 percent for aid to the blind. Private assistance comprised only 1.0 percent of total expenditures for assistance and earnings.

The major change from June 1939 to June 1940 in the proportion of the total represented by the various programs resulted from increases in assistance to recipients of the special types of public assistance and a sizable decrease in earnings of persons employed on projects operated by the WPA. In June 1939, assistance under programs for old-age assistance, aid to dependent children, and aid to the blind represented only 16.9 percent of all assistance and earnings while earnings under projects operated by the WPA were 58.5 percent of the total.

Chart II.—*Special types of public assistance in 116 urban areas, January 1929–June 1940*

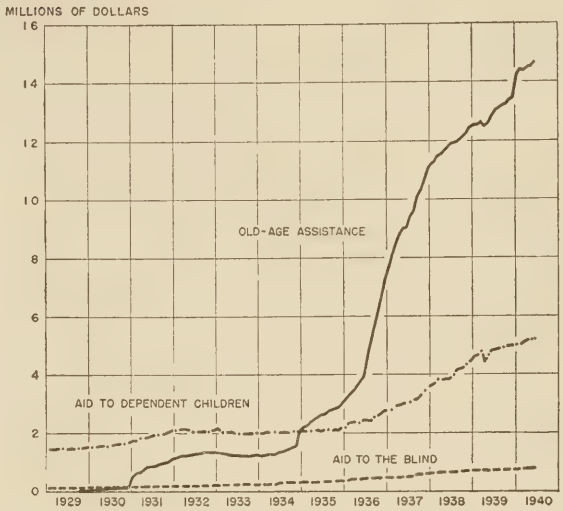


Table 1.—*Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration in 116 urban areas, June 1940*

[Corrected to Aug. 20, 1940]

Type of agency	Number of cases	Amount [1]	Percentage change from— May 1940 in— Number of cases	Percentage change from— May 1940 in— Amount	Percentage change from— June 1939 in— Number of cases	Percentage change from— June 1939 in— Amount	Percentage distribution of amount— June 1940	Percentage distribution of amount— May 1940	Percentage distribution of amount— June 1939
Total	(4)	$85,338,305		−7.6		−22.1	100.0	100.0	100.0
Public agencies	(2)	[3] 84,522,081		−7.6		−22.2	99.0	99.0	99.2
Agencies administering:									
General relief [4]	802,356	22,212,519	−4.8	−7.0	−14.1	−14.9	26.0	25.9	23.8
Special types of assistance [5]	734,864	20,634,489	+.7	+.9	+8.4	+11.9	24.2	22.1	16.9
Old-age assistance	581,114	14,675,879	+.5	+1.0	+8.3	+13.8	17.2	15.7	11.8
Aid to dependent children [5]	129,777	5,191,105	+1.4	+.6	+9.3	+7.7	6.1	5.6	4.4
Aid to the blind [5]	23,973	767,505	.6	+.8	+5.5	+6.0	.9	.8	.7
Work Projects Administration [6]	(2)	41,675,073	(2)	−11.6	(2)	−35.0	48.8	51.0	58.5
Private agencies [7]	(2)	[3] [8] 816,224		[9] −9.6		[9] −7.9	1.0	1.0	.8

[1] Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care. Data for assistance programs differ from those for months prior to January 1940, because they include obligations incurred for burials, in addition to obligations incurred for money payments, assistance in kind, medical care, and hospitalization.

[2] Not available.

[3] Public agencies administered $1,458 of private funds while private agencies administered $7,190 of public funds, so that total amounts contributed from public and private sources, respectively, were $84,527,813 and $810,492.

[4] Includes direct and work relief and statutory aid to veterans administered on basis of need.

[5] Includes figures for areas in States with plans approved by the Social Security Board and for areas in States not participating under the Social Security Act.

[6] Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas and cover all pay-roll periods ended during month. Figures are not available for these areas for earnings of persons employed on projects other than those operated by the WPA.

[7] Includes direct and work relief and aid to veterans.

[8] Includes estimate of $146,121, of which $132,603 represents expenditures of agencies for which monthly reports are not available.

[9] Based on data from agencies reporting monthly.

Table 2.—*Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration, by urban areas, June 1940*

[Corrected to Aug. 20, 1940]

State and city	Area included	Total [1]	Public funds						Private funds [5]	Percentage change in total from—	
			Total	General relief [2]	Old-age assistance	Aid to dependent children [3]	Aid to the blind [3]	WPA earnings [4]		May 1940	June 1939
Alabama:											
Birmingham	County	$467,399	$467,354	$8,950	$22,449	$23,866	$882	$411,207	$45	+3.9	−30.1
Mobile	do	83,304	82,894	1,055	7,604	1,929	136	72,170	410	−26.1	−29.3
California:											
Los Angeles	do	5,710,475	5,688,182	1,559,887	2,183,528	233,190	165,253	1,546,324	22,293	−2.4	+.3
Oakland	do	1,167,947	1,164,610	221,554	309,329	51,351	24,222	558,154	3,337	−7.6	−12.7
Sacramento	do	284,712	282,712	27,606	130,930	21,693	7,221	95,262	2,000	−6.9	−3.1
San Diego	do	653,144	652,316	110,420	278,292	33,817	12,413	217,374	828	−2.9	+4.2
San Francisco	do	1,537,878	1,517,310	316,901	410,953	56,785	25,954	706,717	20,568	−5.6	−14.8
Colorado: Denver	do	747,220	744,296	82,578	381,395	57,990	4,339	217,994	[6] 2,924	+1.8	+10.7
Connecticut:											
Bridgeport	City	168,114	165,807	[7] 47,183	34,632	6,623	748	76,621	2,307	−13.1	−35.3
Hartford	do	242,879	230,605	[7] 92,277	54,860	6,406	1,140	75,922	12,274	−9.9	−10.9
New Britain	do	67,285	66,675	[7] 10,658	12,951	2,629	91	40,346	610	−27.0	−35.3
New Haven	do	234,461	230,744	[7] 67,313	53,079	7,039	1,006	102,307	3,717	−22.0	−27.0
Delaware: Wilmington	County	170,470	168,381	23,138	18,981	10,153	----------	116,109	2,089	−4.6	−10.0
District of Columbia: Washington.	City	752,867	739,052	52,964	85,502	34,769	5,418	560,399	[7] 13,815	−3.3	−7.3
Florida:											
Jacksonville	County	248,319	247,658	5,304	44,887	8,436	3,191	185,840	[7] 661	+1.9	−34.4
Miami	do	118,674	111,548	6,635	34,241	11,027	2,199	57,446	7,126	+14.0	−35.3
Georgia: Atlanta	do	388,502	383,344	22,693	22,256	15,260	1,810	321,325	5,158	−9.3	−36.0
Illinois:											
Chicago	do	7,516,277	7,437,690	2,474,934	1,177,498	76,928	69,479	3,638,851	78,587	−10.5	−24.7
Springfield	do	275,196	273,484	48,758	48,336	1,895	[6] 4,740	169,755	1,712	−4.1	−3.3
Indiana:											
Evansville	do	240,940	240,079	55,366	41,687	23,017	1,474	118,535	861	−6.0	−37.2
Fort Wayne	do	214,269	212,588	20,118	44,884	21,794	1,398	124,394	1,681	−6.2	−22.8
Indianapolis	do	675,203	667,040	68,804	134,342	71,757	6,675	385,462	8,163	−9.7	−31.7
South Bend	do	236,683	236,295	39,060	40,830	20,742	1,107	134,556	388	−2.8	−24.6
Terre Haute	do	285,394	284,249	22,098	56,860	21,216	2,121	181,954	1,145	−.3	−28.2
Iowa:											
Des Moines	do	412,772	411,989	63,599	94,125	4,238	5,723	244,304	783	−13.6	−16.7
Sioux City	do	179,939	179,425	56,058	47,056	5,208	1,669	69,434	514	−25.6	−12.8
Kansas:											
Kansas City	do	228,871	228,513	30,541	31,194	14,738	1,759	150,281	358	−12.1	−30.0
Topeka	do	112,124	111,007	9,528	18,513	7,413	1,216	74,337	1,117	−9.3	−5.4
Wichita	do	212,961	212,404	61,270	44,132	19,225	2,185	85,592	557	−9.6	+7.3
Kentucky: Louisville	do	226,280	220,897	[7] 23,278	37,333	8,501	----------	151,785	5,383	−19.7	−32.2
Louisiana:											
New Orleans	Parish	907,723	896,349	51,029	70,605	101,949	5,569	667,197	[7] 11,374	−10.8	−24.8
Shreveport	do	57,204	57,033	9,061	17,446	16,695	675	13,156	171	−6.5	+10.4
Maine: Portland	City	95,362	94,641	14,734	20,214	4,360	1,337	53,996	721	−2.7	−4.0
Maryland: Baltimore	do	775,040	760,886	155,516	162,946	125,719	9,511	307,194	14,154	−1.8	+6.8
Massachusetts:											
Boston	do	2,486,695	2,411,943	426,459	439,554	244,647	8,563	1,292,720	74,752	+1.5	−9.3
Brockton	do	179,527	176,884	36,427	60,054	8,672	515	71,216	2,643	−6.9	−20.1
Cambridge	do	252,601	249,590	79,865	47,501	28,322	910	92,992	3,011	−4.1	−9.5
Fall River	do	255,953	255,771	78,713	58,462	12,557	838	105,201	182	−7.0	−12.7
Lawrence	do	161,567	160,869	35,023	46,181	6,054	572	73,039	698	−6.6	−8.8
Lowell	do	275,872	273,476	65,364	69,231	15,439	911	122,531	2,396	−10.4	−16.9
Lynn	do	241,879	239,340	52,513	75,889	9,873	755	100,310	2,539	−3.9	−12.1
Malden	do	117,203	117,119	37,491	32,377	7,197	264	39,790	84	−6.0	+1.0
New Bedford	do	261,566	260,528	52,236	80,390	13,081	1,022	113,799	1,038	−7.8	−14.2
Newton	do	72,831	69,501	24,330	20,058	8,728	152	16,233	3,330	−5.4	−19.4
Springfield	do	312,310	309,894	89,846	88,114	25,309	927	105,698	2,416	−24.3	−31.1
Worcester	do	391,720	388,645	127,267	99,823	29,698	773	131,084	3,075	−22.9	−18.0
Michigan:											
Detroit	County	2,987,535	2,972,022	704,398	242,024	321,709	4,535	1,699,356	[7] 15,513	−19.5	−35.0
Flint	do	259,400	259,238	27,517	52,236	25,809	508	153,168	162	−3.7	−36.5
Grand Rapids	do	393,564	392,901	43,714	100,766	26,790	1,414	220,217	[7] 663	−7.2	−37.6
Pontiac	do	193,426	193,273	18,851	47,327	24,817	654	101,624	153	−6.6	−51.1
Saginaw	do	136,585	136,339	14,639	28,235	17,942	439	75,084	246	−8.8	−35.1
Minnesota:											
Duluth	do	567,479	563,658	155,070	103,683	36,646	2,935	265,324	3,821	−18.6	−25.5
Minneapolis	do	1,221,377	1,215,295	290,899	284,711	55,352	5,709	578,624	6,082	−7.5	−24.8
St. Paul	do	574,092	569,957	195,637	109,823	27,749	3,307	233,441	4,135	−8.2	−32.1
Missouri:											
Kansas City	do	750,302	741,192	73,967	173,149	19,309	[6] 10,200	464,567	9,110	−2.9	−18.8
St. Louis	City and county	1,490,116	1,472,850	119,371	226,461	61,980	[6] 16,450	1,048,588	17,266	−8.4	−17.8
Nebraska: Omaha	County	463,902	456,501	16,660	77,775	36,726	2,550	322,790	7,401	−7.1	−18.5
New Jersey:											
Jersey City	City	264,403	263,944	100,475	27,350	26,912	1,221	107,986	[6] 459	−9.1	−47.6
Newark	do	903,523	900,289	388,905	63,792	64,069	2,663	380,860	3,234	−5.3	−29.0
Trenton	do	162,032	160,758	42,212	18,018	14,132	820	85,576	1,274	−5.1	−22.4

See footnotes at end of table.

Table 2.—*Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration, by urban areas, June 1940—Continued*

[Corrected to Aug. 20, 1940]

State and city	Area included	Total [1]	Public funds						Private funds [5]	Percentage change in total from—	
			Total	General relief [2]	Old-age assistance	Aid to dependent children [3]	Aid to the blind [3]	WPA earnings [4]		May 1940	June 1939
New York:											
Albany	City	$107,383	$105,931	$38,404	$17,387	$5,889	$750	$43,501	$1,452	−0.6	−33.8
Buffalo	County	1,175,965	1,162,007	626,565	103,080	60,614	3,283	368,465	13,958	−9.2	−28.7
New Rochelle	City	85,272	84,659	51,886	12,333	8,871	0	11,569	613	−5.1	−4.7
New York	do	15,991,171	15,782,999	5,993,604	1,524,204	1,144,951	41,741	7,078,499	[7] 208,172	−4.6	−25.1
Niagara Falls	do	81,478	80,635	43,703	8,638	7,640	109	20,545	843	−20.6	−22.5
Rochester	do	574,758	571,477	304,513	117,502	37,665	2,516	109,281	3,281	−10.1	−16.6
Syracuse	County	398,989	395,091	171,321	75,830	20,094	1,335	126,511	3,898	−8.6	−24.2
Utica	City	135,781	133,858	52,516	31,008	13,676	308	36,350	1,923	−13.7	−19.8
Yonkers	do	220,191	219,177	100,160	20,011	18,828	531	79,647	1,014	−6.6	−25.8
North Carolina:											
Asheville	County	104,586	104,586	3,077	13,024	6,120	937	81,428		−13.0	−18.7
Charlotte	do	98,318	97,865	4,483	17,928	8,006	1,456	65,992	453	−5.8	+1.3
Greensboro	do	89,614	89,567	2,901	16,262	8,907	1,270	60,227	47	−.6	−1.8
Winston-Salem	do	116,166	102,846	1,308	14,354	7,471	1,010	78,703	13,320	−4.7	−5.4
Ohio:											
Akron	do	802,308	799,506	81,024	83,395	13,247	1,785	620,055	2,802	−12.0	−27.9
Canton	do	356,070	355,879	31,690	87,670	10,509	1,891	224,119	191	−4.8	−29.3
Cincinnati	do	999,307	985,860	222,553	200,454	33,205	5,011	524,637	13,447	−7.6	−22.3
Cleveland	do	2,762,105	2,730,058	541,976	243,377	103,611	8,795	1,832,299	32,047	−10.1	−37.5
Columbus	do	765,373	763,833	88,148	178,929	17,551	6,358	472,847	1,540	+1.4	−16.5
Dayton	do	485,544	485,192	77,830	129,196	13,139	2,548	262,479	352	−3.7	−16.3
Springfield	do	159,498	158,682	6,716	53,990	4,179	1,317	92,480	816	+3.2	−14.7
Toledo	do	772,161	771,604	68,763	136,963	15,966	4,202	545,710	557	−4.3	−34.2
Youngstown	do	352,725	352,141	46,101	53,661	10,607	3,347	238,425	584	−7.5	−31.3
Oklahoma: Tulsa	do	209,877	204,734	4,168	88,672	21,435	3,028	87,431	5,143	−3.6	−5.0
Oregon: Portland	do	558,603	556,944	79,391	159,310	24,981	4,824	288,438	1,659	−3.9	−16.9
Pennsylvania:											
Allentown	do	182,500	181,781	21,460	23,251	10,523	5,940	120,607	719	−27.3	−35.3
Altoona	do	272,469	272,412	37,093	32,186	22,175	6,770	174,188	57	−2.1	−23.3
Bethlehem	do	198,383	197,872	24,076	24,577	12,443	5,419	131,357	511	−25.9	−35.0
Chester	do	207,107	205,639	28,493	35,774	19,826	7,827	113,719	1,468	−27.1	−33.8
Erie	do	281,240	281,196	52,910	51,934	25,160	8,033	143,159	44	−6.9	−30.6
Johnstown	do	335,407	335,032	65,524	36,083	32,012	7,457	193,956	375	−3.8	−38.4
Philadelphia	do	3,932,965	3,895,341	1,584,777	494,804	428,425	74,542	1,312,703	[7] 37,624	−8.7	−14.1
Pittsburgh	do	2,761,939	2,742,608	859,317	284,383	198,683	37,951	1,362,269	[7] 19,331	−7.4	−27.6
Reading	do	361,076	359,351	49,654	42,178	15,801	9,415	242,303	[7] 1,725	−5.0	−16.6
Scranton	do	833,540	830,808	336,166	69,460	56,305	11,252	357,625	[7] 2,732	−21.2	−17.9
Wilkes-Barre	do	1,055,193	1,053,767	402,201	84,502	71,734	15,896	479,434	1,426	−5.5	−12.5
Rhode Island: Providence	City	419,272	414,013	147,105	59,347	19,977	583	187,001	5,259	−11.0	−6.0
South Carolina: Charleston	County	133,971	133,515	2,697	10,060	4,309	707	115,742	456	−14.9	−21.4
Tennessee:											
Knoxville	do	150,405	150,405	3,079	17,946	20,533	747	108,100		−6.1	−10.7
Memphis	do	271,945	268,010	2,172	50,239	24,943	3,103	187,553	3,935	−16.2	−13.0
Nashville	do	238,471	237,059	2,015	41,800	27,435	2,514	163,295	1,412	−2.7	+10.3
Texas:											
Dallas	do	304,084	301,060	15,765	76,386	799		208,110	3,024	−5.3	−7.1
El Paso	do	80,295	79,947	414	9,109			70,424	348	−8.7	−13.1
Fort Worth	do	286,952	286,581	13,632	55,707			217,242	371	−8.8	−15.1
Houston	do	266,124	263,304	22,361	63,424			177,519	2,820	−7.7	−19.0
San Antonio	do	279,689	275,624		62,192			213,432	4,065	−3.3	−12.2
Utah: Salt Lake City	do	392,384	390,641	59,072	102,336	43,595	1,581	184,057	[8] 1,743	−.4	−7.4
Virginia:											
Norfolk	City	88,263	87,285	3,210	10,142	4,377	879	68,677	978	−1.3	+6.9
Richmond	do	171,263	166,167	13,235	13,975	6,782	1,095	131,080	5,096	+1.6	+5.0
Roanoke	do	23,471	23,471	3,021	4,966	960	468	14,056		−4.8	−28.2
Washington:											
Seattle	County	741,293	734,537	75,554	234,921	38,902	8,408	376,752	[7] 6,756	−2.9	−15.6
Tacoma	do	346,859	346,859	21,191	97,141	17,967	2,646	207,914		−13.3	−27.1
West Virginia: Huntington	do	116,331	115,794	9,044	11,743	6,203	825	87,979	537	−7.5	−37.3
Wisconsin:											
Kenosha	do	163,535	163,297	42,406	27,099	17,521	1,356	74,915	238	−11.2	−28.1
Madison	do	267,743	267,455	37,147	48,907	27,896	1,148	152,357	288	+6.2	−2.9
Milwaukee	do	1,551,431	1,546,460	447,758	234,930	99,361	9,381	755,030	4,971	−13.0	−30.2
Racine	do	146,114	145,557	34,184	30,340	21,419	942	58,672	557	−12.0	−37.8

[1] Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care. Data for assistance programs differ from those for months prior to January 1940, because they include obligations incurred for burials, in addition to obligations incurred for money payments, assistance in kind, medical care, and hospitalization.

[2] Includes direct and work relief and statutory aid to veterans administered on basis of need.

[3] Includes figures for areas in States with plans approved by the Social Security Board and for areas in States not participating under the Social Security Act.

[4] Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas and cover all pay-roll periods ended during month. Figures are not available for these areas for earnings of persons employed on projects other than those operated by the WPA.

[5] Includes direct and work relief and aid to veterans.

[6] Estimated.

[7] Includes estimate.

[8] Incomplete, since figures are not obtainable for 1 relief program.

General Relief Operations of Public Agencies in Selected Large Cities, July 1940

Reports on general relief operations of public agencies were received from the 18 cities in the United States with populations over 400,000 in 1930 as well as from Rochester, New York.

Cases Aided and Amount of Relief

In these 19 cities 549,000 cases received aid from general relief funds of $17.2 million in July. In the 18 cities for which comparable data were available for June and July, the number of cases aided increased 1 percent over June and expenditures increased 4 percent. No comparisons with June are available for Buffalo, because June data related to the city only, whereas July data relate to the county.

Twelve cities reported increases in the number of cases receiving relief. The largest increase—13 percent—occurred in Detroit. The largest decrease—10 percent—was reported for the District of Columbia. In 10 cities the amount of obligations incurred for general relief increased. These increases ranged from less than 1 percent in Newark and New York to 21 percent in Detroit. In Milwaukee, despite a decrease of 4 percent in the number of cases receiving relief, the amount of relief increased 11 percent. This increase resulted partly from a much larger expenditure for ice during July (over $12,000, as compared with less than $1,000 in June) and partly from the fact that there were two more business days in July than in June.

General Relief in Addition to Other Types of Income

Table 4 presents available data on the extent to which general relief was granted to cases in households in which other specified forms of income or assistance were also received. In Newark 22 percent of the general relief cases also received income from regular employment. General relief was granted to supplement insufficient earnings from WPA employment in 12 percent of the cases in Milwaukee and Minneapolis. Thirty-four percent of the cases in Baltimore received general relief in addition to payments for aid to dependent children.

Case Turn-Over

Fifteen cities reported more cases opened in July than in June. In Boston and Chicago approximately twice as many cases were opened in July. The largest decrease in openings—45 percent—was reported by the District of Columbia.

Fewer cases were closed in July than in June in 13 cities, with the largest decrease—31 percent—

Table 3.—*Number of cases receiving general relief, amount of relief, and average amount per family and one-person case in selected cities, July 1940*

City	Number of cases receiving relief	Amount of relief [1]	Average amount		Percentage change from June 1940 in—	
			Per family case	Per one-person case	Number of cases	Amount of relief
Baltimore	6,467	$149,737	(2)	(2)	−1.5	−0.5
Boston	16,801	437,917	$29.40	$20.63	+6.3	+16.6
Buffalo [3]	17,480	559,787	37.99	17.10	(4)	(4)
Chicago	[5] 88,047	[5] 2,588,640	(2)	(2)	+2.5	+6.4
Cincinnati [3]	7,617	171,318	25.02	16.26	+.4	−.5
Cleveland	21,162	495,450	29.32	16.99	+2.6	+17.3
Detroit	19,446	653,152	(2)	(2)	+12.7	+20.5
District of Columbia [6]	1,925	43,717	27.35	18.27	−9.7	−16.8
Los Angeles [3]	51,075	1,556,578	38.93	16.96	−.7	−.5
Milwaukee [3]	19,511	500,977	32.36	13.45	−4.0	+11.3
Minneapolis	11,370	252,226	26.76	16.40	−1.6	−5.8
Newark	13,291	389,243	(2)	(2)	+1.6	+.1
New Orleans	2,563	52,197	26.62	16.48	+2.0	+2.3
New York	154,063	6,015,923	45.58	27.47	+.8	+.4
Philadelphia	[7] 58,518	1,698,533	(2)	(2)	+2.1	+7.5
Pittsburgh [3]	[7] 34,096	916,891	(2)	(2)	(8)	+7.3
Rochester	7,454	251,208	38.67	18.18	−5.7	−8.6
St. Louis	6,333	110,718	22.66	7.74	+4.3	−.2
San Francisco	11,937	313,732	41.04	17.92	+1.6	−2.2

[1] Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of special programs.
[2] Not available.
[3] Figures relate to entire county in which city is located.
[4] Not computed, because June figures relate to city only.
[5] Includes cases receiving aid from special departments.
[6] Accepts only unemployable cases.
[7] Includes duplications, since in some cases relief was granted more than once during month.
[8] Increase of less than 0.1 percent.

Table 4.—*General relief cases in households receiving other types of income or assistance in selected cities, July 1940*

City	Number of cases receiving relief	Percent of general relief cases in households receiving—					
		Earnings from regular employment	WPA earnings	Unemployment benefits	Old-age assistance	Aid to dependent children	Aid to the blind
Baltimore	6,467	0.7	0.5	0.8	1.9	33.8	0.1
Buffalo [1]	17,480	10.0	8.3	1.0	3.3	1.5	.2
Chicago	88,047	(2)	.6	.1	2.9	.2	(2)
Cincinnati [1]	7,617	3.3	1.9	1.1	5.4	.5	.3
Cleveland	21,162	5.9	10.0	.5	1.0	(2)	.1
Detroit	19,446	4.6	5.9	1.0	2.8	.3	.3
District of Columbia [4]	1,925	----------	----------	(2)	5.5	.1	.4
Los Angeles [1] [5]	44,501	(2)	(2)	(2)	(2)	(2)	(2)
Milwaukee [1]	19,511	6.0	11.6	.3	2.5	.3	.1
Minneapolis	11,370	1.5	12.1	.1	5.2	4.3	(2)
Newark	13,291	22.0	4.1	1.5	----------	----------	----------
New York	154,063	6.7	5.6	.7	3.0	1.9	.2
Philadelphia	58,518	(2)	1.7	.5	(2)	(2)	(2)
Pittsburgh [1]	34,096	(2)	3.9	1.0	(2)	(2)	(2)
Rochester	7,454	14.1	7.4	1.2	6.4	3.0	.2
San Francisco [5]	9,895	(2)	.1	(2)	(2)	(2)	(2)

[1] Figures relate to entire county in which city is located.
[2] Not available.
[3] Less than 0.1 percent.
[4] Accepts only unemployable cases.
[5] Figures relate to cases open on last day of month.

in Cincinnati. Large increases in the number of closings were reported for Detroit, Los Angeles, New York, and San Francisco.

Accession and separation rates have been computed to measure the number of openings and closings in terms of the average number of cases open during the month. Accession rates ranged from 4 in Buffalo and Rochester to 19 in Detroit; separation rates ranged from 4 in Chicago and New Orleans to 24 in San Francisco. The largest turn-over in case load was that of San Francisco, with an accession rate of 17 and a separation rate of 24.

Effect of WPA Employment on Case Load

In nine cities openings because of loss of WPA employment exceeded closings because of assignment to the WPA. The largest proportionate net increases were those of Boston, with an accession rate of 7 and a separation rate of 2, and of Cleveland and Philadelphia, each of which had an accession rate of 6 and a separation rate of 1. The largest proportionate net decrease occurred in Los Angeles, with an accession rate of 3 and a separation rate of 7.

More than half the openings in July in Chicago and Cleveland were attributed to loss of WPA

Table 5.—*Reasons for opening general relief cases in selected cities, July 1940*

City	Cases opened		Accession rate [1]	Percent opened for specified reason			
	Number	Percentage change from June 1940		Loss of regular employment	Loss of WPA employment	Cessation of unemployment benefits	All other reasons
Baltimore	574	+6.7	9.3	27.2	6.1	0.3	66.4
Boston	2,482	+102.0	16.6	[2] 39.8	41.8	.3	18.1
Buffalo [3]	625	(4)	3.6	48.6	6.7	1.0	43.7
Chicago	5,254	+97.0	5.9	8.2	72.3	2.6	16.9
Cincinnati [3]	882	+38.5	10.8	7.5	34.2	2.2	56.1
Cleveland	1,854	+50.9	8.4	15.4	65.4	1.6	17.6
Detroit	3,317	+29.6	18.5	13.9	29.2	2.5	54.4
District of Columbia [5]	137	−45.2	6.5	----------	----------	----------	100.0
Los Angeles [3]	5,581	+1.7	12.1	(6)	20.8	(6)	(6)
Milwaukee [3]	1,935	−21.9	11.0	18.8	18.4	2.1	60.7
Minneapolis	1,663	+19.9	16.3	12.8	16.7	2.1	68.4
Newark	1,329	+8.3	10.8	18.1	25.3	2.2	54.4
New Orleans	157	+11.3	6.3	(6)	(6)	(6)	(6)
New York	7,258	+15.1	4.9	25.4	28.6	2.2	43.8
Philadelphia	6,081	+33.5	11.2	27.0	49.3	4.0	19.7
Pittsburgh [3]	3,404	−10.4	11.3	25.4	46.1	6.6	21.9
Rochester	337	+19.5	4.3	35.6	7.4	3.6	53.4
St. Louis	774	+27.3	12.7	13.1	35.0	1.8	50.1
San Francisco	1,741	+18.0	17.0	(6)	31.2	1.1	(6)

[1] Cases opened as a percent of average number of cases open at beginning and end of month.
[2] Includes cases opened because of insufficient earnings.
[3] Figures relate to entire county in which city is located.
[4] Not computed, because June data relate to city only.
[5] Accepts only unemployable cases.
[6] Not available.

employment. Assignment to the WPA accounted for 52 percent of the closings in Detroit.

Effect of Regular Employment on Case Load

In a majority of the cities reporting complete data on openings and closings, more cases were closed because regular employment was obtained than were opened because it was lost. Separation rates for cases closed because regular employment was obtained were 6 in Buffalo, 5 in Rochester, and 4 in Boston, Milwaukee, and Pittsburgh. In Boston 7 of every 100 open cases were added during July because of loss of regular employment.

Obtaining regular employment resulted in 40 percent or more of the closings in Boston, Buffalo, Philadelphia, Pittsburgh, and Rochester. Loss of regular employment, on the other hand, was given as the reason for 49 percent of the openings in Buffalo and for 40 percent in Boston.

Effect of Unemployment Benefits and Old-Age Retirement and Survivors Benefits on Case Load

Receipt and cessation of unemployment benefits produced minor net changes in the case loads of all the cities reporting such openings and closings. In nine cities more cases were closed because of receipt of benefits than were opened because of exhaustion of benefit rights. Seven percent of the openings in Pittsburgh were attributed to cessation of unemployment benefits. In Rochester 8 percent of the closings resulted from receipt of benefit payments.

According to reports, closings because of receipt of old-age retirement and survivors benefits amounted to 2 percent of total closings in Newark and to less than 1 percent in nine other cities. In nine cities, however, no cases were reported closed for this reason.

Table 6.—*Reasons for closing general relief cases in selected cities, July 1940*

City	Cases closed		Separation rate [1]	Percent closed for specified reason						
	Number	Percentage change from June 1940		Regular employment obtained	Increased earnings or income	Transfer to the WPA	Receipt of unemployment benefits	Receipt of old-age retirement and survivors benefits	Transfer to special types of public assistance	All other reasons
Baltimore	580	−12.8	9.4	16.9	0.5	20.5	2.1	----------	7.1	52.9
Boston	1,281	−13.7	8.6	45.3	(2)	[3] 26.3	3.4	----------	8.4	(2)
Buffalo [4]	2,402	(2)	14.0	44.8	13.9	17.5	4.7	(6)	1.9	17.2
Chicago	3,521	−5.3	4.0	37.4	9.8	15.7	4.3	(6)	4.6	28.2
Cincinnati [4]	785	−31.1	9.6	22.2	5.4	23.6	1.9	----------	5.2	41.7
Cleveland	1,199	−29.8	5.4	33.6	5.8	25.2	1.8	0.1	2.3	31.2
Detroit	2,718	+18.3	15.1	14.9	3.7	52.0	5.3	.1	4.8	19.2
District of Columbia [7]	271	−14.5	12.9	----------	24.7	9.6	----------	----------	16.2	49.5
Los Angeles [4]	9,052	+54.0	19.6	13.1	1.5	[3] 36.8	1.3	.1	1.5	45.7
Milwaukee [4]	2,676	−1.4	15.2	27.8	1.9	21.9	1.5	.1	3.0	43.8
Minneapolis	1,969	+.4	19.3	13.6	5.9	21.5	1.0	----------	1.4	56.6
Newark	1,228	−8.2	9.9	28.4	2.1	9.0	2.5	1.6	2.4	54.0
New Orleans	94	−6.9	3.8	4.3	8.5	30.9	----------	----------	10.6	45.7
New York	8,626	+37.3	5.9	24.2	10.2	42.5	4.4	.1	4.7	13.9
Philadelphia	4,067	−27.8	7.5	40.1	9.5	7.1	5.9	(6)	16.1	21.3
Pittsburgh [4]	2,902	−25.6	9.2	45.4	12.5	7.2	6.2	(6)	12.1	16.6
Rochester	819	−5.2	10.4	43.5	12.2	22.2	7.7	----------	2.9	11.5
St. Louis	548	−24.1	9.0	14.4	2.2	37.4	.9	----------	23.0	22.1
San Francisco	2,478	+31.8	24.1	9.6	1.7	[3] 19.7	1.0	----------	2.2	65.8

[1] Cases closed as a percent of average number of cases open at beginning and end of month.
[2] Not available.
[3] Includes cases transferred to the NYA and CCC.
[4] Figures relate to entire county in which city is located.
[5] Not computed, because June data relate to city only.
[6] Less than 0.1 percent.
[7] Accepts only unemployable cases.

UNITED STATES DEPARTMENT OF AGRICULTURE
Food Distribution Administration
Civilian Programs Branch

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DOMESTIC DISTRIBUTION PROGRAMS
OF THE
FOOD DISTRIBUTION ADMINISTRATION
FEBRUARY 1943

Reports and Analysis Division F.D.A. -D.D.P. -13 March 25, 1943

TABLE 1. SUMMARY OF FEBRUARY PARTICIPATION IN FDA DOMESTIC DISTRIBUTION PROGRAMS

Region	Food Stamp Program		Direct Distribution Program	School Lunch Program	School Milk Program
	Persons Participating (Estimated)	Blue Stamp Issuance	Persons Participating	Children Participating	Children Participating
Northeast	313,427	$ 1,134,605.75	302,502	1,007,270	471,127
Southern	192,007	453,137.50	513,375	1,631,500	119,353
Great Lakes	227,340	777,503.50	231,428	707,432	360,786
Midwest	211,595	649,596.50	41,001	564,451	245,388
Southwest	278,890	704,925.00	118,619	678,437	58,020
Rocky Mt.	58,600	164,667.50	9,211	140,296	27,586
Pacific	110,064	395,130.00	5,294	379,747	78,129
Caribbean Area	-	-	592,161	192,411	-
Total	1,391,923	$ 4,279,565.75	1,813,591	5,301,544	1,360,389

SUMMARY

In February, approximately 3.2 million persons in family groups, including 600,000 persons in Puerto Rico, the Virgin Islands and Hawaii, participated in FDA family food programs; 5.3 million children participated in the School Lunch Program.

1. FOOD STAMP PROGRAM. Estimated participation: 1.4 million persons. Issuance: blue stamps, 4.3 million dollars; estimated per capita blue stamp issuance, $3.07. (This program discontinued February 28, 1943.)

2. DIRECT DISTRIBUTION PROGRAM. Participation: 1.8 persons in family groups; 382,000 persons in institutions and special groups. Food distributed: 18.5 million pounds valued at 1.2 million dollars.

3. SCHOOL LUNCH PROGRAM. Participation: 5.3 million children in 73,100 schools. Food distributed: 44.5 million pounds valued at 4.9 million dollars.

4. SCHOOL MILK PROGRAM. Estimated participation: 1.4 million children.

The Food Stamp Program

The Food Stamp Program concluded operations at the end of February in all areas. An estimated 1.4 million persons received 4.3 million dollars in free blue stamps, an estimated per capita average of $3.07.

A statistical review of the Food Stamp Program will be presented as a separate report in the near future.

The Direct Distribution Program

EXTENT. Participation: 1.8 million persons in family groups, including 600,000 persons in Puerto Rico, the Virgin Islands, and Hawaii. This compares with a total participation of 4.4 million persons in February 1942.

FOODS DISTRIBUTED. Quantity: 16.6 million pounds to family groups, 1.9 million pounds to institutions and special groups. Estimated retail value of food distributed to all direct distribution groups, 1.2 million dollars.

Approximate cost to the FDA of foods distributed through the Direct Distribution Program in February: .6 million dollars.

The School Lunch Program

EXTENT. Participation: 5.3 million children in 73,100 schools; approximately 18 per cent of the total school enrollment in the continental United States. Participation in February of last year: 6.2 million children in 93,000 schools.

FOODS DISTRIBUTED. Quantity: 44.5 million pounds with an estimated retail value of 4.9 million dollars.

Approximate cost to the FDA of foods distributed through the School Lunch Program in February: 2.5 million dollars.

The School Lunch Local Purchase Program

Scattered reports indicate that only a relatively few schools began operation of this type of program in February. It has been favorably accepted and preliminary reports indicate that a substantial number of children were participating in March.

The School Milk Program

In January, the latest month for which complete data on the School Milk Program are available, approximately 1.4 million children in 8,500 schools participated. Of the total participants, approximately 19 per cent received their milk without cost to them.

Indemnity payments by the FDA to sponsors in payment for milk distributed in January totaled approximately .5 million dollars; during the fiscal year through January, payments totaled 1.6 million dollars.

TABLE 2. NUMBER OF CHILDREN PARTICIPATING IN THE SCHOOL LUNCH AND SCHOOL MILK PROGRAMS, FEBRUARY 1942 AND 1943

Region and State	School Lunch Program		School Milk Program	
	February 1943	February 1942	January 1943 /1	February 1942
TOTAL	5,301,544	6,165,956	1,360,389	542,169
NORTHEAST	1,007,270	1,114,534	471,127	471,074
Connecticut	38,347	31,583	9,608	-
Delaware	4,413	4,706	-	-
Dist. of Columbia	5,910	11,171	16,635	28,442
Maine	35,233	42,920	22,585	-
Maryland	20,260	22,154	1,637	-
Massachusetts	129,567	140,674	40,796	38,764
New Hampshire	2,891	16,945	9,611	-
New Jersey	102,268	87,687	16,928	-
New York	318,792	324,194	317,891	403,868
Pennsylvania	260,898	325,108	16,617	-
Rhode Island	4,087	2,616	3,171	-
Vermont	18,519	20,877	10,973	-
West Virginia	66,085	83,899	4,675	-
SOUTHERN	1,631,500	2,079,866	119,353	-
Alabama	39,076	72,080	27,838	-
Florida	90,692	98,279	6,370	-
Georgia	429,482 /2	513,056	10,191	-
Kentucky	89,648	116,332	8,855	-
Mississippi	249,528	324,119	6,260	-
North Carolina	153,897	221,242	26,155	-
South Carolina	320,884	329,206	3,480	-
Tennessee	177,713	297,694	14,902	-
Virginia	80,580	107,858	15,302	-
GREAT LAKES	707,432	608,576	360,786	59,532
Illinois	173,254	138,943	124,993	58,766
Indiana	69,136	94,914	31,398	-
Michigan	212,637	181,613	68,204	-
Ohio	147,885	86,765	58,235	-
Wisconsin	104,520	106,341	77,956	766
MIDWEST	564,451	691,426	245,388	11,563
Iowa	55,343	74,798	58,267	-
Kansas	59,387	78,845	23,620	-
Minnesota	197,227	184,516	77,727	-
Missouri	135,361	149,503	44,083	11,563
Nebraska	41,437	62,996	12,955	-
North Dakota	43,309 /2	81,190	17,458	-
South Dakota	32,387	59,578	11,278	-
SOUTHWEST	678,437	940,122	58,020	-
Arkansas	102,474	126,818	5,720	-
Louisiana	151,113	196,796	9,329	-
Oklahoma	180,647	246,094	13,751	-
Texas	244,203 /2	370,414	29,220	-
ROCKY MOUNTAIN	140,296	199,627	27,586	-
Colorado	24,853	38,610	13,349	-
Idaho	24,501	36,282	4,581	-
Montana	21,491	27,858	1,286	-
New Mexico	27,193	47,471	1,480	-
Utah	32,156	37,703	4,057	-
Wyoming	10,102	11,703	2,833	-
PACIFIC	379,747	460,664	78,129	-
Arizona	25,509	27,151	22,365	-
California	237,542	300,467	38,667	-
Nevada	3,414	3,538	468	
Oregon	28,737	24,529	10,753	
Washington	74,032	98,169	5,876	-
Hawaii	10,513	6,810	-	-
CARIBBEAN AREA	192,411	71,141	-	-
Puerto Rico	189,399	69,199	-	-
Virgin Islands	3,012	1,942	-	-

/1 Latest complete month available.
/2 January figures.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration
Distribution Branch

DOMESTIC DISTRIBUTION PROGRAMS OF THE AGRICULTURAL MARKETING ADMINISTRATION OCTOBER 1942

Economic Analysis Division A.M.A.-D.D.P.-9 November 25, 1942

TABLE 1. SUMMARY OF OCTOBER PARTICIPATION IN AMA DOMESTIC DISTRIBUTION PROGRAMS

Region	Food Stamp Program		Direct Distribution Program	School Lunch Program
	Participation	Blue Stamp Issuance	Participation	Participation
Northeast	573,640	$2,002,111.00	400,406	837,480
South	296,961	700,362.00	687,875	1,139,371
Great Lakes	314,684	1,053,367.50	306,262	486,152
Midwest	284,031	836,086.50	63,981	420,913
Southwest	405,416	1,009,764.50	185,050	355,747
Rocky Mountain	101,623	278,382.50	14,067	87,312
Pacific Coast	161,568	562,573.00	10,776	248,007
Caribbean Area	4,415	8,209.50	493,217	90,110
Total	2,142,338	$6,450,856.50	2,161,634	3,665,092

SUMMARY

In October, 4.3 million persons in family groups, including 502,500 persons in Puerto Rico, the Virgin Islands and Hawaii, participated in AMA family food programs; 3.7 million children participated in the School Lunch Program. Food distributed: 178.9 million pounds valued at 11.9 million dollars.

1. FOOD STAMP PROGRAM. Participation: 2.1 million persons. Issuance: orange stamps, 11.8 million dollars; blue stamps, 6.4 million dollars; per capita blue stamp issuance, $3.01. Food purchased with blue stamps, 113.0 million pounds.

2. DIRECT DISTRIBUTION PROGRAM. Participation: 2.2 million persons in family groups; 362,000 persons in institutions and special groups. Food distributed: 32.3 million pounds valued at 2.2 million dollars.

3. SCHOOL LUNCH PROGRAM. Participation: 3.7 million children in 48,000 schools. Foods distributed: 33.6 million pounds valued at 3.3 million dollars.

4. SCHOOL MILK PROGRAM. Participation: 1.7 million children.

The Food Stamp Program

EXTENT. The Food Stamp Program was in operation in 1,468 counties and 88 city areas in October. 81 million persons, 61.6 per cent of the total United States population, live in operating areas. The program in the Virgin Islands was terminated on October 31. Of 3,317,362 eligible persons, 2,142,338 or 65 per cent participated. This was a decline of 196,953 persons from the total participating in September.

STAMP ISSUANCE. Of $6,450,856 in blue stamp issuance, $458,000 less than in September, the Northeast received 31 per cent; the South, 10.9 per cent; the Great Lakes Region, 16.3 per cent; the Midwest, 13.0 per cent; the Rocky Mountain Region, 4.3 per cent; the Pacific Region 8.7 per cent; and the Southwest Region 15.7 per cent.

These declines continue the steady downward movement of recent months, and represent reductions from October of last year of 38 per cent in number of persons participating, and of 29 per cent in amount of blue stamps issued.

Average per capita blue stamp issuance was $3.01 in October, an increase of 5 cents over September. This is an all time high in per capita issuance, and the first time the average has exceeded $3.00 per person. Orange stamp issuance in October: 11.8 million dollars, $5.53 per capita, a decline of $810,000 from September. "Free blue" issuance: $5,959 to 4,928 participants, $1.21 per capita, a decline of $1,650 and 1,300 persons from September.

BLUE STAMP PURCHASES. October purchases in the Continental United States: 113.0 million pounds, valued at 6.4 million dollars. Pears were dropped from the blue stamp list on October 1, but no major change resulted in the pattern of blue stamp money expended for commodities, as increased amounts of apples were purchased. Of the total amount spent for food, eggs accounted for 25.5 per cent; cereals and flour 23.4 per cent; total vegetables, 42.5 per cent; and apples, the only fruit on the list, for 8.5 per cent.

Blue stamp money expended during the month decreased 6.8 per cent from September, total quantity of food purchased decreased 8.4 per cent.

BLUE STAMPS ISSUED TO EDUCATIONAL AND DEMONSTRATION PROJECTS. Issuance of free blue stamps to Educational and Demonstration Projects was reported by two regions in October. The Southern Region issued $519 to such projects; and the Southwest Region issued $508; a total of $1,027 for the month.

TABLE 2. NUMBER OF PERSONS CERTIFIED AND PARTICIPATING IN THE FOOD STAMP PROGRAM AND VALUE OF BLUE STAMPS ISSUED, BY STATES, OCTOBER 1942

Region and State	Total Persons			Value of Blue Stamps Issued		
	Certified	Participating	Percent of Certified Participating	This Month	Cumulative This Fiscal Year	Average Per Person
TOTAL	3,317,362	2,142,338	65	$6,450,856.50	$28,309,412.25	$3.01
NORTHEASTERN	973,930	573,640	59	2,002,111.00	8,697,069.50	3.49
Connecticut	6,597	4,356	66	18,098.00	76,166.50	4.15
Delaware	2,750	1,397	51	4,165.00	19,206.50	2.98
Maine /1	39,350	26,113	66	64,195.50	285,929.50	2.45
Maryland	24,891	5,605	22	17,360,50	75,318.00	3.10
Massachusetts	98,700	61,630	62	226,957.50	951,127.50	3.68
New Hampshire	12,229	10,232	84	34,408.50	140,859.50	3.36
New Jersey	33,322	23,122	69	86,229.00	375,666.00	3.73
New York	462,516	336,917	73	1,230,943.50	5,428,183.00	3.65
Pennsylvania	272,375	92,556	34	280,884.00	1,177,411.00	3.03
Rhode Island	18,270	9,835	54	33,484.50	144,818.00	3.40
Vermont	2,930	1,877	64	5,385.00	22,444.00	2.87
SOUTHERN	377,854	296,961	79	700,362.00	3,003,789.50	2.36
Alabama	20,381	16,450	81	35,138.50	187,125.00	2.14
Florida	72,748	49,728	68	141,613.50	607,951.50	2.85
Georgia	42,019	32,160	77	78,977.50	334,978.50	2.46
Kentucky	27,799	22,710	82	57,441.00	240,808.50	2.53
Mississippi	81,188	68,381	84	132,367.50	566,189.00	1.94
North Carolina	50,706	41,079	81	92,683.00	385,409.50	2.26
South Carolina	16,571	12,591	76	27,539.00	117,304.50	2.19
Tennessee	54,817	44,722	82	111,954.50	468,780.00	2.50
Virginia	11,625	9,140	79	22,647.50	95,243.00	2.48
GREAT LAKES	473,630	314,684	66	1,053,367.50	4,517,498.75	3.35
Illinois	118,040	96,294	82	372,103.50	1,536,845.75	3.86
Indiana	20,059	11,000	55	31,918.50	145,717.50	2.90
Michigan	149,842	84,294	56	262,051.00	1,170,588.00	3.11
Ohio	121,991	86,737	71	269,210.00	1,155,495.50	3.10
Wisconsin	58,259	31,895	55	105,747.00	456,697.50	3.32
Kentucky (2 cos.)	5,439	4,464	82	12,337.50	52,154.50	2.76
MIDWEST	435,956	284,031	65	836,086.50	3,827,029.50	2.94
Iowa	54,239	41,300	76	123,068.50	571,333.00	2.98
Kansas	78,951	48,171	61	141,081.50	604,082.00	2.93
Minnesota	140,792	90,433	64	278,437.00	1,258,234.00	3.08
Missouri	70,658	40,191	57	110,388.00	550,299.50	2.75
Nebraska	35,365	29,428	83	90,984.50	404,516.50	3.09
North Dakota	24,230	17,625	71	44,727.50	215,865.50	2.54
South Dakota	30,941	16,883	55	47,399.50	222,699.00	2.81
SOUTHWEST	536,567	405,416	76	1,009,764.50	4,592,269.50	2.49
Arkansas	72,844	54,606	75	143,218.50	639,865.50	2.62
Louisiana	82,836	75,311	91	162,220.50	657,272.00	2.15
Oklahoma	119,809	105,778	88	257,630.50	1,035,912.00	2.44
Texas	261,078	169,721	65	446,695.00	2,259,220.00	2.63
ROCKY MOUNTAIN	212,606	101,628	48	278,382.50	1,215,387.50	2.74
Colorado	52,982	28,176	53	81,961.00	354,102.00	2.91
Idaho	41,945	13,980	33	37,452.00	164,086.00	2.68
Montana	35,442	17,733	50	50,041.00	219,682.00	2.82
New Mexico	40,907	22,740	56	51,509.00	217,049.50	2.27
Utah	33,520	14,361	43	44,991.50	206,911.00	3.13
Wyoming	7,810	4,633	59	12,408.00	53,557.00	2.68
PACIFIC	299,392	161,568	54	562,573.00	2,422,889.00	3.48
Arizona	30,005	18,133	60	51,447.00	217,152.00	2.84
California	138,427	76,553	55	269,296.50	1,150,316.50	3.52
Nevada	3,423	1,231	36	4,010.00	16,741.00	3.26
Oregon	40,770	19,668	48	64,801.00	280,001.00	3.29
Washington	86,768	45,983	53	173,018.50	758,669.50	3.76
VIRGIN ISLANDS	7,426	4,415	59	8,209.50	33,488.00	1.86

/1 September figures.

TABLE 3. ESTIMATED VALUE, DISTRIBUTION OF EXPENDITURES, AND QUANTITY OF COMMODITIES PURCHASED WITH BLUE STAMPS IN THE CONTINENTAL UNITED STATES OCTOBER 1942

Commodity	Unit	Quantity /1	Value	Percent of Total Value
		- - - In Thousands - - -		
Eggs	doz. /2	3,750	$1,644	25.52
White Flour	lb.	26,297	1,161	18.02
Graham Flour	lb.	457	24	.37
Corn Meal	lb.	6,219	236	3.66
Hominy Grits	lb.	2,078	89	1.38
Total Cereals	lb.	35,051	1,510	23.43
Dry Beans	lb.	4,576	421	6.53
Cabbage	lb.	6,788	195	3.03
Carrots	lb.	2,653	127	1.97
Lettuce	lb.	1,876	179	2.78
Potatoes	lb.	22,852	697	10.82
Sweet Potatoes	lb.	5,822	280	4.35
Tomatoes	lb.	3,379	238	3.69
Other Vegetables	lb.	11,594	604	9.37
Total Vegetables	lb.	59,640	2,741	42.54
Apples	lb.	12,696	548	8.51
TOTAL	lb.	113,012	$6,443	100.00

/1 Retail quantities adjusted to include estimated wastage occurring in process of distribution.

/2 Converted to pounds in total.

Note: Data presented in this report are subject to revision. No adjustments have been made for possible loss or misuse of blue stamps. If data for individual regions are required, they may be obtained from the Economic Analysis Division.

The Direct Distribution Program

EXTENT. Participation: 2.2 million persons in family groups, including 498,000 persons in Puerto Rico and Hawaii; 41.4 per cent of the participants in the continental United States were in the Southern Region; 24.1 per cent in the Northeast; 18.4 per cent in the Great Lakes Region; 11.1 per cent in the Southwest; 3.8 per cent in the Midwest; .8 per cent in the Rocky Mountain Region; and .4 per cent in the Pacific Region. Participation in family groups in October of last year totaled 4.9 million persons.

Other groups participating in the Direct Distribution program this month: 273,000 persons in 530 charitable institutions and organizations; 75,000 persons in household aid and demonstration projects, NYA resident training camps and others; 14,000 children in camps and recreational projects.

FOODS DISTRIBUTED. Quantity: 30.4 million pounds to families, 1.8 million pounds to special groups. Estimated retail value for family and special groups: 2.2 million dollars. Foods distributed to approximately 50 per cent of persons participating in September (latest month for which detailed data are available) include evaporated milk, oat or wheat cereal, corn meal, graham and white flour, prunes, and dry beans.

Approximate cost to the A.M.A. of foods distributed under the Direct Distribution program: 1.3 million dollars.

The School Lunch Program

EXTENT. Participation: 3.7 million children in 48,000 schools, approximately 13 per cent of total children enrolled in schools within the United States. In October of last year, 4.4 million children in 59,000 schools participated. This represents a decline from last year of 19 per cent in number of schools participating, and of 17 per cent in number of children receiving lunches.

FOODS DISTRIBUTED. 33.6 million pounds of food with an estimated retail value of 3.3 million dollars were distributed to School Lunch programs. Foods distributed to 50 per cent or more of the participating children in September were evaporated milk, oat or wheat cereal, corn meal, graham and white flour, apples, grapefruit juice, prunes, dry beans, and canned pork and beans.

Approximate cost to the A.M.A. of foods distributed through the School Lunch Program: 1.7 million dollars.

The School Milk Program

Approximately 1.7 million children participated in the School Milk program during October. Expenditures by A.M.A.: $600,000.

TABLE 4. PERSONS PARTICIPATING IN A.M.A. DOMESTIC FOOD DISTRIBUTION PROGRAMS BY STATE, OCTOBER 1942

Region and State	Persons in All Families Receiving A.M.A. Foods: Total	Persons in All Families Receiving A.M.A. Foods: Direct Distribution	Persons in All Families Receiving A.M.A. Foods: Stamp Program: Number	Persons in All Families Receiving A.M.A. Foods: Stamp Program: % of Total	Persons in Families Receiving A.M.A. Foods Only: Total	Persons in Families Receiving A.M.A. Foods Only: Direct Distribution	Persons in Families Receiving A.M.A. Foods Only: Stamp Program	Number of Children Served by School Lunch
TOTAL	4,303,972	2,161,634	2,142,338	49.8	1,224,382	929,039	295,343	3,665,092
NORTHEAST	974,046	400,406	573,640	58.9	86,413	49,713	36,700	837,480
Connecticut	14,213	9,857	4,356	30.6	1,728	1,728	-	30,698
Delaware	2,265	868	1,397	61.7	-	-	-	3,856
Dist. of Col.	13,524	13,524	-	-	2,731	2,731	-	9,740
Maine	26,113	-	26,113	100.0	-	-	-	25,045/3
Maryland	7,455	1,850	5,605	75.2	-	-	-	11,542
Massachusetts	165,817	104,187	61,630	37.2	40,947	30,560	10,387	130,653
New Hampshire	10,232	-	10,232	100.0	-	-	-	39,649
New Jersey	73,612	50,490	23,122	31.4	1,480	1,480	-	89,872
New York	391,538	54,621/1	336,917	86.0	26,313	- /1	26,313	207,811/3
Pennsylvania	119,351	26,795	92,556	77.5	311	311	-	226,486
Rhode Island	12,246	2,411	9,835	80.3	49	49	-	3,759
Vermont	19,491	17,614	1,877	9.6	9,617	9,617	-	6,297
West Virginia	118,189	118,189	-	-	3,237	3,237	-	52,072
SOUTHERN	989,300	687,875	301,425/2	30.5	411,052	292,063	118,989/2	1,139,371
Alabama	73,276	56,826	16,450	22.4	15,129	11,598	3,531	20,181
Florida	164,517	114,789	49,728	30.2	102,845	76,722	26,123	94,765
Georgia	144,867	112,707	32,160	22.2	61,136	50,126	11,010	405,016
Kentucky	168,762	141,588	27,174/2	16.1	97,973	89,623	8,350/2	83,161
Mississippi	88,598	20,217	68,381	77.2	50,124	8,828	41,296	77,731
North Carolina	108,644	67,565	41,079	37.8	46,841	27,651	19,190	18,603
South Carolina	73,890	61,299	12,591	17.0	3,726	2,275	1,451	201,760
Tennessee	117,767	73,045	44,722	36.0	22,233	15,191	7,042	142,453
Virginia	48,979	39,839	9,140	18.7	11,045	10,049	996	95,701
GREAT LAKES	616,482	306,262	310,220	50.3	27,796	22,911	4,885	486,152
Illinois	207,824	111,530	96,294	46.3	3,208	2,934	274	137,299
Indiana	67,861	56,861	11,000	16.2	219	219	-	46,176
Michigan	122,295	38,001	84,294	68.9	3,956	3,752	204	156,021
Ohio	153,926	67,189	86,737	56.3	10,748	9,537	1,211	65,958
Wisconsin	64,576	32,681	31,895	49.4	9,665	6,469	3,196	80,698
MIDWEST	348,012	63,981	284,031	81.6	16,797	2,302	14,495	420,913
Iowa	51,715	10,415	41,300	79.9	3,479	2,290	1,189	50,734
Kansas	51,211	3,040	48,171	94.1	2,476	12	2,464	55,371
Minnesota	90,433	-	90,433	100.0	10,032	-	10,032	103,046
Missouri	88,399	48,208	40,191	45.5	316	-	316	114,965
Nebraska	29,428	-	29,428	100.0	11	-	11	32,680
North Dakota	17,625	-	17,625	100.0	393	-	393	33,059
South Dakota	19,201	2,318	16,883	87.9	90	-	90	31,058
SOUTHWEST	590,466	185,050	405,416	68.7	184,144	66,106	118,038	355,747
Arkansas	95,244	40,638	54,606	57.3	31,743	10,370	21,373	50,519
Louisiana	102,651	27,340	75,311	73.4	3,438	833	2,605	68,702
Oklahoma	105,778	-	105,778	100.0	5,260	-	5,260	60,866
Texas	286,793	117,072	169,721	59.2	143,703	54,903	88,800	175,660
ROCKY MOUNTAIN	115,690	14,067	101,623	87.8	2,377	2,377	-	87,312
Colorado	40,331	12,155	28,176	69.9	2,377	2,377	-	19,792
Idaho	14,524	544	13,980	96.2	-	-	-	16,946
Montana	18,736	1,003	17,733	94.6	-	-	-	9,725
New Mexico	23,105	365	22,740	98.4	-	-	-	28,785
Utah	14,361	-	14,361	100.0	-	-	-	6,060
Wyoming	4,633	-	4,633	100.0	-	-	-	6,004
PACIFIC	172,344	10,776	161,568	93.7	350	350	-	248,007
Arizona	22,948	4,815	18,133	79.0	-	-	-	22,670
California	76,897	344	76,553	99.6	-	-	-	147,457
Nevada	1,936	705	1,231	63.6	-	-	-	2,592
Oregon	19,668	-	19,668	100.0	-	-	-	14,589/3
Washington	45,983	-	45,983	100.0	-	-	-	53,170
Hawaii	4,912	4,912	-	-	350	350	-	7,529
CARIBBEAN AREA	497,632	493,217/1	4,415	.9	495,453	493,217/1	2,236	90,110
Puerto Rico	493,217	493,217/1	-	-	493,217	493,217/1	-	85,372/1
Virgin Islands	4,415	-	4,415	100.0	2,236	-	2,236	4,738/3

/1 September figures. October figures not available. /2 Including 2 counties in Great Lakes Region.
/3 Estimated.

Release - 1:00 P.M., CST, Tuesday, October 10, 1939

AGRICULTURAL ASPECTS OF FOOD STAMP PLAN OPERATIONS

Summary of statement by Milo Perkins, President of the Federal Surplus Commodities Corporation, at the Sixth Annual Meeting of the National Association of Food Chains, in Chicago, Illinois, on Tuesday, October 10, 1939.

The mechanical operations of the Stamp Plan are well known to all of you. The project has received splendid support from all branches of the food trades, from farm organizations, from local chambers of commerce, from public and welfare officials in the various states, and from the persons using the stamps to secure an additional two and one half cents worth of surplus foods a meal for each member of the family. This is in addition to the average of five cents a meal which such persons previously were sperding for food. A gradual expansion of this program already has been announced by the Secretary of Agriculture.

It is too early to draw final conclusions as to the ultimate agricultural significance of this method of distributing surplus commodities. The preliminary figures now available, however, are of great interest to every farmer in America. First of all, we can see how persons getting public aid are using their blue stamps on a wholly voluntary basis.

Based upon our experience to date, it appears that about one-quarter of the stamps are being used for butter and another one-quarter for eggs, two products which are produced very widely on our farms.

About 10 percent of the added purchasing power is being used for wheat products. Approximately 31 percent is being divided among the fresh fruits and vegetables, according to the consumer's selection and the commodities which have been on the list thus far. Corn meal, rice, dry beans, and dried prunes are each receiving over 2 percent of the blue stamp expenditure as a result of the new buying by needy families. The following table brings out these figures in more detail:

Table

Percentage Distribution of Commodities Secured with Blue Stamps in Five Cities
May 16 - August 26, 1939

Commodity	May 16 - July 15			July 16 - August 26					
	Rochester	Dayton	Seattle/1	Rochester	Dayton	Seattle	Birmingham	Shawnee/2	Estimated Nat'l. Aver./3
	1	2	3	4	5	6	7	8	9
				- - - percent - - -					
Butter	33.1	25.6	33.5	30.0	19.3	33.2	15.0	11.9	23.4
Eggs	30.7	26.6	33.7	27.3	25.3	29.4	19.7	12.4	24.7
White Flour	8.1	9.7	13.7	7.7	6.3	8.2	20.7	25.1	10.1
Graham Flour	.07	.1	.7	.07	-	.4	.16	.26	.06
Total Flour	8.17	9.8	14.4	7.77	6.3	8.6	20.86	25.36	10.16
Corn Meal	.5	2.1	1.0	.4	2.0	1.0	6.8	5.9	2.2
Rice				1.4	2.6	2.2	3.6	4.4	2.4
Dry Beans	2.4	4.0	4.7	1.4	4.3	2.2	6.2	10.3	3.8
Dried Prunes	2.0	2.7	3.4	1.1	2.1	2.2	2.7	6.2	2.2
Oranges	19.4	22.1	4.3						
Grapefruit	3.7	7.1	5.0						
Peaches				9.3	12.0	8.6	8.0	11.6	10.3
Pears				1.0	2.5	1.0	2.6	.8	1.7
Total Fresh Fruits	23.1	29.2	9.3	10.3	14.5	9.6	10.6	12.4	12.0
Cabbage				3.7	3.5	1.0	2.8	4.2	3.3
Peas				2.3	4.5	1.5	3.7	.8	3.0
Tomatoes				10.9	10.8	7.0	5.9	3.6	9.3
Onions				3.4	4.8	2.1	2.1	2.5	3.6
Total Fresh Vegetables				20.3	23.6	11.6	14.5	11.1	19.2
Total Fresh Fruits and Vegetables	23.1	29.2	9.3	30.6	38.1	21.2	25.1	23.5	31.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

/1. Seattle data during this period inadequate. /2. First half-month of program only.
/3. City distribution weighted by the number in May, 1939 receiving public assistance in states surrounding these cities.

Source of data: Economic Analysis Section, Stamp Division, Federal Surplus Commodities Corporation, September 15, 1939.

This is interesting evidence, crop by crop, of the untapped market for American farm products here at home among our underfed families. Every farm leader in the country will want to watch these figures as they change from time to time. He will want to watch the demand for different products as they are added to the surplus list. It may be another year, however, before we can say with certainty, as far as any particular commodity is concerned, that a new market exists on anything like a permanent basis. The plan has not been in operation long enough to measure seasonal changes accurately, nor is it widespread enough to be sure that the food preferences of some 150,000 persons as shown for a few months are a true index to what the national appetite of this group might be over a longer period of time. There must be a continuing, running analysis for some time yet if we are to get a more reliable measure of the effects of the Stamp Plan upon our agricultural economy.

With that warning, -- and treating the figures, therefore, as somewhat of a statistical curiosity, -- we can speculate on the possible agricultural significance of the Stamp Plan if it were operating upon a national basis. In other words, let us project the increased market for surplus commodities which might exist if the program were in operation throughout the country -- if every eligible family bought the same percentage of surplus foods as those which were purchased in five cities for a few months, and if participation of eligible families throughout the nation were upon the same basis as that in a few experimental cities. The term "eligible families", as used here, refers to

those now receiving some form of public assistance and does not include low-income, privately employed persons such as those in Shawnee, Oklahoma, who now are participating in the Stamp Plan in that one city upon a wholly experimental basis.

About 20 million people are included in the total number of families which are now receiving some form of public aid. If the same percentage of persons took part in a national program as has been the case in the experimental cities, the group of participating eligibles would include about 15 million individuals. This does not necessarily mean that we are currently planning to have the Stamp Plan extended to that many people, however. Many factors will influence the extent to which the plan can be expanded. As an illustration, we do not believe that it is wise administratively to think in terms of reaching the entire relief load in anything short of two or three years even if other circumstances made it desirable to do so. By that time, of course, the size of the relief load may have changed considerably.

On the basis of the foregoing assumptions, it is interesting to note that the Stamp Plan offers a potential annual market for over 300 million pounds of butter, about 352 million dozen eggs, over 25 million bushels of wheat in the form of flour, over 6 million bushels of corn in the form of corn meal, about 140 million pounds of rice, over 87 million pounds of prunes and about 227 million pounds of dry beans. For fresh fruits and vegetables there is a tremendous potential market. Given purchasing power, poor people will buy trainload after trainload of citrus, tomatoes, cabbage,

peaches and other fruits and vegetables.

From an agricultural point of view, these figures have great significance. The Stamp Plan makes possible a much broader market for farmers producing those commodities for which there is an elastic demand, such as dairy products, poultry products, fruits, and vegetables. The early figures indicating sharp increases in the consumption of rice and beans give a more hopeful picture than we anticipated. This wider distribution will do more than provide a new market for surpluses; ultimately, it can bring about a better price level for an entire crop, especially in the case of those commodities which happen to be selling very much below parity.

I should like to call your particular attention, however, to the situation with respect to sales of flour and corn meal. Important as the indicated increases are from the consumers' and the millers' points of view, they hold relatively little promise for farmers growing wheat and corn. In both cases, the increases in the number of bushels which might be consumed as flour and corn meal would represent only a fraction of the total crops now being produced. Lard is already on the surplus list and if other pork products should be added later in the year, the outlet for corn would be increased. Were the Stamp Plan operating on a National basis, with livestock products included on the surplus list, a very significant market would be opened for our farmers in the Corn Belt.

The figures upon which the estimates of new markets are based appear in more detail in the table which follows:

Table II

Preliminary Estimates of Possible Purchases of Certain Surplus Commodities Under a National Stamp Plan
and
1928-37 Average Domestic Consumption of Those Commodities

Commodities	% of Total Expenditure for Each Commodity or Commodity Group		Approx. Blue Stamp Purchases on a National Basis	1928 - 37 Average Domestic Consumption /1	Blue Stamp Purchases as % of 1928-37 Average Consumption
	1		2	3	4
	Per Cent	Unit	Million Units	Million Units	Per Cent
Butter	23.4	lbs.	301	2,191	13.7
Eggs	24.7	doz.	352	2,602	13.5
White & Graham Flour Wheat Equivalent (in bushels)	10.16	bu.	26	484	5.4
Corn Meal Corn Equivalent (in bushels)	2.2	bu.	6.6	49/2	13.4
Rice	2.4	lbs.	140	709	19.7
Dry Beans	3.8	lbs.	227	900/3	25.2
Dried Prunes	2.2	lbs.	87	228	38.6
Fresh Fruits & Vegetables/4	31.2				

/1. Estimates supplied by Program Coordination and Development Division, Bureau of Agricultural Economics; allowance is made for farm to retail market waste.
/2. Merchant mill consumption.
/3. Not including canned bean consumption; partially estimated.
/4. The distribution among these obviously depends on the number of commodities on the list and the season of the year. When oranges and grapefruit alone were on the list in 3 cities, they accounted for 24 percent of the total blue stamp expenditures. As indicated in Table I, when more commodities were added, up to August 26, peaches accounted for 10.3 percent of the total, tomatoes 9.3 percent, cabbage, onions and peas from 3 to 3.6 percent each, and pears 1.7 percent.

Source of data: Economic Analysis Section, Stamp Division, Federal Surplus Commodities Corporation, United States Department of Agriculture.

There are a few other qualifications we must keep in mind with regard to this table:

(1) The calculations are based on experience to date. Subsequent experience will require modifications, particularly if there is a considerable change in the variety of commodities on the surplus list.

(2) They are based on prices existing up to September. Radical price changes would alter the consumer purchases.

(3) It may not be true that all of these purchases will be additional purchases. For some commodities and in some regions among some families, a part of these purchases at least, probably would be made in the absence of a program. The extent to which these potential purchases represent a net increase in the demand for agricultural commodities is of primary significance. Although no final conclusions on this subject can be reached from the data now available, considerable study is being and will continue to be directed toward this phase of the subject. The preliminary figures are very encouraging.

(4) On the other hand, these calculations are limited to the potential effect of purchases by relief families only and do not take into account any possible increase of purchases by other families. As a result of special food drives and lower distribution charges made possible by an increased volume of business, a still greater consumption of surplus foods by the entire population can be brought about. Re-employment, of course, will bring about this result even more quickly.

After nearly five months experience with the Stamp Plan, we have ample proof of the splendid job which the food trades have done by way of pushing sales for farmers with surpluses to sell. Farmers, business men, and those of us who work for our government have learned that we can get better results by tackling a tough job together. That pattern of business-like cooperation may be more important than the Stamp Plan itself. Many of us who attended the first two-day meeting of the Agricultural Advisory Council, recently called by Secretary Wallace, felt that it was. That Council meeting was attended by agricultural leaders, labor leaders, and business leaders as well as by government

officials. They were as one man in their sureness that the heavy responsibilities which are ours because of war in the world can be discharged without resort to regimentation. The present world emergency is a challenge to every major group in America. It's up to us to prove that we are capable, as a people, of making economic democracy work for the good of all without resort to the methods of the dictators.

The war already has had a pronounced effect upon our agricultural situation. Many prices, which were at abnormally low levels during the summer, have now advanced somewhat. If the war drags out, a better export demand may be felt for some products and a poorer one for others. The situation is a constantly changing one. Thanks to such machinery as the ever-normal granary, however, we have abundant and adequate supplies of foodstuffs for our own people.

The prices of many surplus agricultural commodities are still too low to bring about a situation where the returns to farmers will have a fair exchange value with city goods which farmers must buy. As long as this condition exists, and as long as there are millions of our own citizens with inadequate diets, we feel that the Food Stamp Plan should be extended gradually to sections of the country where it has not yet been placed in operation.

Within each city, however, there is a possibility that the number of families eligible to participate will decline if the current trend toward fuller employment continues. That will please no one more than it will please us. A man with a job at good wages provides the farmer with

a broader market than we can afford to make possible through our food stamps, and he provides the grocer with a greater volume of business than he is now getting even in cities where the Stamp Plan is in operation.

From the very beginning of the Food Stamp Plan we have tried to build its administrative machinery upon an "accordion basis". In times of great agricultural surpluses, which usually are accompanied by great unemployment, it will be there to do a minimum job in terms of minimum diets below which the public health would be endangered. The broader market thus made possible for our farmers in times of stress will help to stabilize our whole economy. In times of fuller employment, however, it can and should be restricted to the fewer families who would still be eligible for such assistance.

I should like to repeat that both the farmers and the grocers make more money out of men with good jobs than they do out of men buying a mere seven and one-half cents worth of food a meal with stamps. Everyone of us in this room lives in a family where the food expenditures are at least three or four times that amount. Good times are likely to be followed by bad times, however, and a mechanism like the Stamp Plan can serve the general welfare if it is contracted to a mere skeleton in times of great prosperity, but kept alive so that it can be expanded in times of depression to help cushion the shock. Those are the policy terms in which we are thinking during these difficult days when no one can see very far ahead.

It is expected that the commodities included on the surplus list will change from time to time. In addition to the usual seasonal factors, disturbed world conditions may affect the variety of commodities on the surplus list. On the other hand, there are adequate and in many instances surplus supplies of a great many nutritive foods which can be expected to remain on the list. Some commodities, such as citrus fruits and possibly pork products, may be added later during the year.

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U. S. DEPARTMENT OF AGRICULTURE
FEDERAL SURPLUS COMMODITIES CORPORATION
- FOOD STAMP DIVISION -

October 6, 1939

TO: FOOD STAMP PLAN FIELD REPRESENTATIVES.

FROM: PHILIP F. MAGUIRE, VICE PRESIDENT.

SUBJECT: F.S.C.C. FREE SCHOOL-LUNCH PROGRAM.

You will doubtless be interested in the work being undertaken by the Corporation for the nation-wide expansion of the free school lunch program for the current school year.

This program is being conducted by the Purchase and Distribution Division in conjunction with the purchase and donation to States of surplus commodities for relief distribution to accredited relief families. Supervisors under the direction of the Purchase and Distribution Division are being appointed in various states or areas to assist State Directors of Commodity Distribution in the expansion of the free school lunch program, through presentation to communities of the objectives, and explanation of the procedure for the local establishment of programs.

Lunch programs are sponsored by local organizations, including Boards of Education, Parent Teachers' Associations, civic clubs, and in the rural areas by interested teachers and county school principals. The Work Projects Administration is supplying workers and in case of extreme need a minimum of materials, to free school lunch programs throughout the country. The National Youth Administration is interested and in some cases has already contributed to the success of programs. It is, however, expected that local free school lunch sponsors will supply the necessary additional funds and non-surplus commodities.

The certification of eligible schools and of needy children is cared for by welfare agencies in the various states. Local inquiries regarding the possible availability of surplus commodities are being referred to these state welfare agencies. Actual delivery of commodities to eligible sponsors is also performed by these agencies.

The present program is an expansion of an activity which has been under way for several years. Last year over 30,000,000 pounds of surplus foodstuffs, worth nearly $3,000,000, were distributed in this way. The free school lunches to which these surplus commodities were donated by state welfare agencies assisted undernourished children in the United States, Puerto Rico and the Virgin Islands. Over 800,000 children in more than 14,000 schools regularly received free meals prepared wholly or in part from surplus commodities during the last school year.

Present plans contemplate the participation in free school lunches of 5,000,000 or more children formerly with inadequate or unbalanced diet. Experience thus far has indicated benefits in the form of improved general health, increased weight, improved mental alertness, more regular attendance and improved classroom application.

Schools in cities in which the Stamp Plan is now in operation will be eligible. The same procedure is to be followed in these Stamp Plan cities as applies in other areas.

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Surplus Commodities Corporation

THE FOOD STAMP PLAN AND THE FARMER

Statement by Milo Perkins, President of the Federal Surplus Commodities Corporation, before the Fruit and Vegetable Committee of the American Farm Bureau Federation at Chicago, Illinois, on Monday, December 4, 1939.

In a recent Gallup poll, it was indicated that 88% of the people in the country had formed an opinion about the Food Stamp Plan as a method for moving price-depressing farm surpluses. That, probably, is more important than the fact that the program was endorsed by a big majority. It not only shows that our city folks are aware of the problems facing farmers with surpluses to sell, but it indicates that they want to do something about it. That ought to mean a lot later on in terms of improved farm income.

The poll indicated that seventy percent of the people in the Nation approved the Stamp Plan. Let's hope we're moving away from the day when farmers, who make up 25% of our population, get only 11% of our national income. Let's hope they're on the road toward getting a decent share of it, so that they can buy the things the unemployed men in our cities would like to be at work making for them.

Most of you, I take it, are familiar with the details of the Food Stamp Plan. Briefly, this is the way it works:

1. Studies indicate that persons getting public assistance spend an average of about $1.00 per week per person for food. That's about 15¢ a day; 5¢ a meal.

2. On a voluntary basis, such persons may buy a minimum of $1.00 worth of orange stamps a week for each member of the family. These are good for any food at any grocery store.

3. Persons buying orange stamps receive half again as many blue stamps free. They receive these in place of the commodities they formerly got at food depots. These blue stamps also are good at any grocery store but only for foods found to be "in surplus" by the Secretary of Agriculture. The list has been changed from time to time in accordance with changes in the season and the economic factors affecting the commodities. The first commodities on the list were butter, eggs, white and graham flour, corn meal, dried prunes, oranges, grapefruit, and dry beans. On July 16, a number of new commodities were added. These included rice, fresh peaches, fresh pears, cabbage, peas, tomatoes and onions. The commodity list was unchanged until September 30. At that time peaches, cabbage, peas, tomatoes, and rice were dropped from the list and raisins, apples, snap beans (for October) and pork lard were added. In December, oranges and grapefruit, rice, hominy grits and pork meats will be added to the list. On December 15th, therefore, there will be 16 surplus commodities which can be purchased with blue stamps.

4. Grocers paste the stamps, each worth twenty-five cents, on $5.00 cards and redeem them largely through their banks. The Government pays the banks for both colored stamps; the blue stamps are redeemed from the same funds that are now used to purchase surplus commodities directly.

5. Under the Stamp Plan, therefore, persons receiving public aid can get surplus foods at the corner grocery store. They have seven and one-half cents to spend for each meal rather than the five cents a meal they formerly spent. That improves farm income as well as the public health. The idea is to "eat the surpluses", that is, the part that can be consumed in this country.

That is the essence of it, although, of course, there are variations which give us the necessary flexibility to meet different local conditions.

The program is now, or very soon will be in effect in 23 cities or county areas. These are as follows: Rochester, New York; Dayton, Ohio; Seattle and King County, Washington; Birmingham and Jefferson County, Alabama; Des Moines, Iowa; Shawnee and Pottawatomie County, Oklahoma; Springfield, Illinois; Allentown, Pennsylvania; Bethlehem, Pennsylvania; Salt Lake City, Utah; Madison, Wisconsin; Minneapolis, Minnesota; St. Paul and Ramsey County, Minnesota; Providence, Rhode Island; Bismarck and Burleigh County, North Dakota; Mandan and Morton County, North Dakota; Denver, Colorado; Sioux Falls and Minnehaha County, South Dakota; Wichita Falls and Wichita County, Texas; Little

Rock and Pulaski County, Arkansas; Sioux City, Iowa; Memphis, Tennessee; Richmond, Virginia.

We anticipate that from 30 to 35 areas will be designated by January 1, 1940. By the end of the fiscal year, June 30, 1940, we hope to have the program going in from 125 to 150 places.

As a part of current operating procedure, careful attention is being given to the economic and marketing aspects of the program. It is not yet possible to draw final conclusions on the significance of this approach to agricultural problems. The information obtained is being analyzed in order to determine such matters as the commodities selected by consumers under the program, the volume being moved, changes in sales, price trends, and the probable agricultural effects of the program on individual commodities. The preliminary figures now available are of great interest to every farmer in America. First of all, we can see how persons getting public aid are using their blue stamps on a wholly voluntary basis. We can tell which agricultural products are most popular, and what percentage of the blue surplus stamps is going for each one on the list.

For the period from May 16 to July 15, when the program was in operation in only 3 cities, we had information for periods of from less than a month up to two months in each of the cities. Obviously, it was too early to attach a great deal of significance to the preliminary figures. Possibly the most interesting facts were the evident popularity of butter, eggs, citrus fruit and flour.

From July 16 to September 30, when we had 6 to 12 weeks of experience in 6 cities, about one-quarter of the stamps were being used for butter and another one-quarter for eggs, two products which are produced very widely on our farms. About 13 percent of the added purchasing power was being used for flour. Corn meal and rice were each receiving about 2 percent of the blue stamp expenditure.

It is extremely interesting to note that during this period about 14.5 percent of the total expenditure was being divided among fruits and 20 percent among vegetables, according to the consumer's selection and the commodities on the list at the time. In other words, slightly more than one-third of the additional purchasing power was being divided among fresh fruit and vegetables, dried prunes and dry beans.

Of the fruit and vegetable commodities on the list during this period, fresh peaches were most popular, with 10 percent of the total. Tomatoes took nearly 8 percent, dry beans about 4 percent, cabbage and onions about 3 percent each, peas, prunes and pears about 2 percent each.

By October 1, many of the fruits and vegetables were no longer in season, and changes in the list became necessary. For the first 4 weeks in October, the most recent period for which information is available, butter and eggs continued to secure about one-quarter of the stamps each. The demand for wheat products was about 13 percent of the total. Lard, placed on the list for the first time, took about 10 percent of the expenditure and corn meal continued to take about 2 percent.

The fruits on the list included dried prunes, fresh pears, raisins and apples. These 4 commodities took slightly over 14 percent of the additional purchasing power. Apples were first with 8 percent, raisins slightly over 2 percent, prunes nearly 2 percent, and pears about 1.8 percent. During October, the 3 vegetables on the list accounted for about 9 percent of the total. Dry beans accounted for 4 percent, onions about 3 percent, and snap beans about 2 percent. All fruits and vegetables accounted for nearly one-quarter of the expenditure during the last month. The following table brings out these figures in greater detail and shows the variation in different parts of the country:

Percentage Distribution of Commodities Secured With Blue Stamps in Six Areas. (July 16 - October 28)

Commodity	July 16 - September 30							October 2 - 28						
	Roch. /1	Dayton /2	Seattle /3	Birm. /4	Pott. Cty. /5	Des Moines /6	National Average /7	Roch.	Dayton	Seattle	Birm.	Pott. Cty.	Des Moines	National Average /7
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	---	---	---	---	---	---	per cent	---	---	---	---	---	---	---
Butter	30.4	20.9	31.7	14.6	12.4	22.1	24.0	36.2	21.5	35.2	12.8	9.1	25.7	26.4
Eggs	27.8	23.5	26.5	20.4	13.1	19.4	23.6	29.5	26.2	25.6	20.1	10.2	23.5	24.9
Lard								6.3	10.6	3.9	14.3	26.9	9.0	10.1
Flour	9.3	8.9	11.8	22.6	28.9	16.1	13.3	9.9	11.3	12.6	23.0	23.2	12.0	13.2
Corn Meal	.4	1.8	.9	7.5	5.7	1.4	2.1	.6	2.1	1.2	7.5	4.0	1.3	2.1
Rice	1.3	2.4	2.0	3.2	3.6	2.1	2.1							
Dr. Prunes	1.1	2.1	2.0	2.4	5.3	2.3	2.1	1.2	2.4	2.4	1.5	1.9	1.9	1.8
Peaches	9.3	11.7	10.8	6.1	7.3	13.6	10.0							
Pears	.9	3.5	1.2	3.1	1.1	6.1	2.4	.7	3.5	.6	1.7	.8	2.5	1.8
Raisins								2.2	2.0	2.9	1.6	3.6	2.5	2.3
Apples								6.3	8.5	9.9	6.0	11.4	13.7	8.4
Total Fruits	11.3	17.3	14.0	11.6	13.7	22.0	14.5	10.4	16.4	15.8	10.8	17.7	20.6	14.3
Dry Beans	1.4	4.4	2.5	6.6	11.0	5.6	4.1	2.4	4.7	2.9	6.8	6.8	4.3	4.1
Cabbage	3.5	3.7	1.0	2.5	4.5	3.1	3.2							
Peas	1.7	3.2	.7	3.3	.4	1.0	2.0							
Tomatoes	9.4	9.6	6.7	5.6	4.2	2.7	7.7							
Onions	3.5	4.3	2.2	2.1	2.5	4.5	3.4	3.1	4.4	2.3	1.6	1.7	3.4	3.2
Snap Beans								1.6	2.8	.5	3.1	.4	.2	1.7
Total Vegetables	19.5	25.2	13.1	20.1	22.6	16.9	20.4	7.1	11.9	5.7	11.5	8.9	7.9	9.0
Total Fruits & Vegetables	30.8	42.5	27.1	31.7	36.3	38.9	34.9	17.5	28.3	21.5	22.3	26.6	28.5	23.3

/1 Rochester program began May 16; /2 Dayton program began June 5; /3 Seattle program began July 5; /4 Birmingham program began Aug. 1; /5 Pottowatomie County program began Aug. 16; /6 Des Moines program began Aug. 23; /7 In computing national averages, the percentage distributions of the number of persons receiving public assistance in the states around each city designated during July 1939 have been used as weights.

Source of data: Economic Analysis Section, Food Stamp Division, FSCC, USDA, Nov. 18, 1939.

This is interesting evidence, crop by crop, of the untapped market for American farm products here at home among our underfed families. Every farm leader in the country will want to watch these figures as they change from time to time. He will want to watch the demand for different products as they are added to the surplus list. It may be another year, however, before we can say with certainty, as far as any particular commodity is concerned, that a new market exists on anything like a permanent basis. The plan has not been in operation long enough to measure seasonal changes accurately, nor is it widespread enough to be sure that the food preferences of some 150,000 persons as shown for a few months are a true index to what the national appetite of this group might be over a longer period of time. There must be a continuing, running analysis in order to get more current and reliable measures of the effects of the Stamp Plan upon our agricultural economy.

With that warning, we can speculate on the possible agricultural significance of the Stamp Plan if it were operating upon a national basis. In other words, let us project the increased market for surplus commodities which might exist if the program were in operation throughout the country -- if every eligible family bought the same percentage of surplus foods as those which were purchased in six areas for a few months, and if participation of eligible families throughout the Nation were upon the same basis as that in a few experimental cities. The term "eligible families", as used here, refers to those now receiving some form of public assistance and does not include low-income, privately employed persons such as

those in Shawnee, Oklahoma, who now are participating in the Stamp Plan in that one city upon a wholly experimental basis.

Nearly 20 million people are included in the total number of families which are now receiving some form of public aid. If the same percentage of persons took part in a national program as has been the case in the experimental cities, the group of participating eligibles would include about 15 million individuals. This does not necessarily mean that we are currently planning to have the Stamp Plan extended to that many people, however. Many factors will influence the extent to which the plan can be expanded. As an illustration, we do not believe that it is wise administratively to think in terms of reaching the entire relief load in anything short of two or three years even if other circumstances made it desirable to do so. By that time, of course, the size of the relief load may have changed considerably.

On the basis of the foregoing assumptions, it is interesting to note that with current prices the Stamp Plan offers a potential annual market for about 294 million pounds of butter, over 300 million dozen eggs, about 30 million bushels of wheat in the form of flour, over 6 million bushels of corn in the form of corn meal, about 120 million pounds of rice, approximately 78 million pounds of prunes, 88 million pounds of raisins, and about 213 million pounds of dry beans.

For fresh fruits and vegetables there is a tremendous potential market. Given purchasing power, poor people will buy trainload after trainload of citrus, tomatoes, cabbage, peaches, and other fruits and vegetables.

The knowledge we have obtained of consumer takings of dry beans and dried prunes has been sufficiently wide and consistent, even with changes in the list, to make a preliminary estimate of the demand stimulated by the stamp program. The demand for raisins is apparently about the same as the demand for prunes. Our early figures in both cases offer a great deal of hope for farmers producing these crops. For other fruits and vegetables, however, we feel that it is too early to make even rough estimates for individual commodities. It does look as if low-income consumers, when given purchasing power, will, on a voluntary choice basis, become extremely heavy purchasers of fruits and vegetables. It is beginning to be relatively certain that, depending upon the commodities on the list, these people will spend 25 to 35 percent of their additional food purchasing power for these commodities. This kind of stimulus to sales of fruits and vegetables can become a major force in better marketing of fruits and vegetables. Since the demand for commodities among low-income families is the largest undeveloped market in the United States, farmers, through their marketing organizations, will want to make use of this knowledge and take all of the steps necessary to benefit as much as possible.

We are interested in the Stamp Plan as a means of helping local producers in the area around which the program is in effect. We expect to work with grower committees and extension leaders in each region in developing suggestions on locally produced fruits and vegetables that should be placed on the list for various periods of time. We feel that this program promises to strengthen tremendously the approaches to improved returns to growers through broader

markets. It supplements, though it does not supersede, all the existing approaches to this problem that the Department now has available. For example, we plan to continue the direct purchase of farm surpluses including some fruits and vegetables. By combining this method with the Stamp Plan, we hope to get the maximum returns to growers that are feasible under our legislation. An increasing amount of foods bought directly is being used in our school lunch program.

From an agricultural point of view, these figures have great significance. The Stamp Plan makes possible a much broader market for farmers producing those commodities for which there is elastic consumption such as dairy products, poultry products, fruits, and vegetables. The early figures indicating sharp increases in the consumption of rice and beans give a more hopeful picture than we anticipated. This wider distribution will do more than provide a new market for surpluses; ultimately, it can bring about a better price level for an entire crop, especially in the case of those commodities which happen to be selling very much below parity.

I should like to call your particular attention, however, to the situation with respect to sales of flour and corn meal. Important as the indicated increases are from the consumers' and the millers' points of view, they hold relatively little promise for farmers growing wheat and corn. In both cases, the increases in the number of bushels which might be consumed as flour and corn meal would represent only a fraction of the total crops now being produced. Lard is already on the surplus list and pork has just been added. The

outlet for corn may therefore be increased substantially. This will bee one of the most interesting figures to watch in coming months. Were the Stamp Plan operating on a national basis, with livestock products on the surplus list, a very significant market might be opened for our farmers in the Corn Belt. We shall wait and see.

The figures upon which the estimates of new markets are based appear in more detail in the table which follows:

Rough Estimates of Possible Purchases of Certain Surplus Commodities Under a National Stamp Plan
and
1928-37 Average Domestic Consumption of Those Commodities

Commodities	% of Total Expenditure for each Commodity or Commodity Group		Approx. Blue Stamp Purchases on a National Basis	1928 - 37 Average Domestic Consumption /1	Blue Stamp Purchases as % of 1928 - 37 Average Consumption
	1		2	3	4
	Per Cent	Unit	Million Units	Million Units	Per Cent
Butter	25.2	lbs.	294	2,191	13.4
Eggs	24.2	doz.	313	2,602	12.0
White & Graham Flour Wheat Equivalent (in bushels)	13.3	bu.	30	484	6.2
Corn Meal Corn Equivalent (in bushels)	2.1	bu.	6.6	49/2	13.4
Rice	2.1	lbs.	120	709	16.9
Dry Beans	4.0	lbs.	213	900/3	23.7
Dried Prunes	1.9	lbs.	78	228	34.2
Raisins	2.3	lbs.	88	285	30.9
Other Fruits & Vegetables /4	20 -25				

/1. Estimates supplied by Program Coordination and Development Division, Bureau of Agricultural Economics; allowance is made for farm to retail market waste.
/2. Merchant mill consumption.
/3. Not including canned bean consumption; partially estimated.
/4. The distribution among these obviously depends on the number of commodities on the list and the season of the year. When oranges and grapefruit alone were on the list in 3 cities, they accounted for 24 per cent of the total blue stamp expenditures. As indicated in Table I, when more commodities were added, up to September 30, peaches accounted for 10 per cent of the total, tomatoes 7.7 per cent, cabbage, onions, peas, and pears from 2 to 3.6 per cent each.

Source of data: Economic Analysis Section, Stamp Division, FSCC, USDA.

There are a number of other qualifications we must keep in mind with regard to this table:

(1) The calculations are based on experience to date. Subsequent experience will require modifications, particularly if there is a considerable change in the variety of commodities on the surplus list.

(2) They are based on prices existing up to October 28. Radical price changes would alter the consumer purchases.

(3) It may not be true that all of these purchases will be additional purchases. For some commodities and in some regions among some families, a part of these purchases, at least, probably would be made in the absence of a program. The extent to which these potential purchases represent a net increase in the demand for agricultural commodities is of primary significance. Although no final conclusions on this subject can be reached from the data now available, considerable study is being and will continue to be directed toward this phase of the subject. The preliminary figures are very encouraging.

(4) On the other hand, these calculations are limited to the potential effect of purchases by relief families only and do not take into account any possible increase of purchases by other families. As a result of special food drives and lower distribution charges made possible by an increased volume of business, a still greater consumption of surplus foods by the entire population can be brought about. Reemployment, of course, will bring about this result even more quickly.

After nearly six months experience with the Stamp Plan, we have ample proof of the splendid job that can be done in pushing sales for farmers with surpluses to sell. Farmers, business men, and those of us who work for our Government have learned that we can get better results by tackling a tough job together. We know, for example, that the Stamp Plan is bringing increased understanding of agricultural problems by urban families and business groups

throughout the country.

The prices of many surplus agricultural commodities are still too low, of course, to bring about a situation where the returns to farmers will have a fair exchange value with city goods which farmers must buy. As long as this condition exists, and as long as there are millions of our own citizens with inadequate diets, we feel that the Food Stamp Plan should be extended gradually to sections of the country where it has not yet been placed in operation.

Within each city, however, there is a possibility that the number of families eligible to participate will decline if the current trend toward fuller employment continues. That will please no one more than it will please us. A man with a job at good wages provides the farmer with a broader market than we can afford to make possible through our food stamps, and he provides the grocer with a greater volume of business than he is now getting even in cities where the Stamp Plan is in operation.

From the very beginning of the Food Stamp Plan we have tried to build its administrative machinery upon an "accordion basis." In times of great agricultural surpluses, which usually are accompanied by great unemployment, it will be there to do a minimum job in terms of minimum diets below which the public health would be endangered. The broader market thus made possible for our farmers in times of stress will help to stabilize our whole economy. In times of fuller employment, however, it can and should be restricted to the fewer families who would still be eligible for such assistance.

I should like to repeat that farmers can sell more food to men with good jobs than they can to men buying a mere seven and one-half cents worth of food a meal with stamps -- at least 50 percent more. Everyone of us in this room lives in a family where the food expenditures are at least three or four times the amount being spent by families getting public aid. Good times are likely to be followed by bad times, however, and a mechanism like the Stamp Plan can serve the general welfare if it is contracted to a mere skeleton in times of great prosperity, but kept alive so that it can be expanded in times of depression to help cushion the shock. Those are the policy terms in which we are thinking during these difficult days when no one can see very far ahead.

Most important of all, from the farmer's point of view, is the probable effect of the Stamp Plan upon farm income, once it is operating on a national scale. All of you know what happens if, in any season, there is even 5 percent more of a given crop than people are able to buy; -- the price breaks for the whole production. And you know what happens when people want to buy even 5 percent more of any crop than is available; -- a good price can be gotten for the whole production. It looks now, so far as a great many agricultural commodities are concerned, as though the Stamp Plan could help move surpluses and raise farm income in a good many cases.

If the farm price goes too high, however, as recently happened in the case of rice for a short period, the commodity can and should be taken from our surplus list. This is not only a fair protection to consumers, but it will prevent artificial inducements to unwise acreage expansions. The Stamp Plan can provide a new and a broader market for farmers with surpluses to sell; our early figures indicate that it should be possible by this means to increase the returns on many an entire crop. Wherever and whenever that takes place, farmers will be just that much nearer to their rightful share of the national income.

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THE CHALLENGE OF UNDER-CONSUMPTION

An address by Milo Perkins, President of the Federal Surplus Commodities Corporation, at the Fourth Annual National Farm Institute, Des Moines, Iowa, Saturday morning, February 24, 1940.

Mr. Chairman, gentlemen, I am glad to be here and I want to thank you for having invited me.

Most of the figures which we are going to consider today have not been available until now. They deal with how much we eat, commodity by commodity, at different levels of income. For the first time we are beginning to know about under-consumption in terms of simple arithmetic. That has a direct bearing on farm prices. Our farmers, you know, make up 25 percent of our population, and yet they get only 11 percent of our national income. They are producing more than they can sell in the present market at a profit. Surpluses of agricultural products have been a serious national problem now for over a decade. As I see it, there are three major causes behind this situation:

The first is the application of science to agricultural production. Briefly, we have learned how to make two blades of grass grow where one grew before, and we don't know where to sell the extra blade of grass. Yields of lint cotton, for example, are now 35 percent greater per acre than they were ten years ago. Yields of corn in the ten corn belt states during the years 1936-1939 were 22.8 percent above the 1929-1933 average. If there were time, we might consider similar efficiencies in nearly every phase of agricultural production.

Secretary Wallace recently stated this scientific progress in another way. He said: "One hundred fifty years ago it required 19 people living on the land to support themselves and one person in town. Today, under greatly commercialized and industrialized conditions, one person on the land supports himself, three people in town, and contributes to the support of another person overseas".

All this is a tribute to our technological genius as a people and we may well be proud of it. Some day we'll turn that genius to solving the problems of under-consumption. When that day comes, the extra blade of grass will add to human happiness and not to human misery. For the first time in history, we're suffering because we've got too much of the things we need most. The science of production has out-run the science of distribution. We've got to catch our breath -- and catch up.

The second cause of our farm surpluses has to do with dislocations in foreign trade. Naturally, our export crops have been hit the worst. This goes back more than twenty years ago to the time when we changed from a debtor to a creditor nation -- to the time when we plowed up forty million acres of grasslands and ruined part of the Great Plains in an era of military hysteria. Wheat, you know, helped to win the war. Then came the time when the armies of the world were demobilized, and our farmers lost their markets for the crops they had been raising on those forty million acres.

Following that, one country after another entered the frantic race to have its cake and eat it too. Every major nation in the world tried to sell all it could abroad and buy as little from other countries as possible. We were in the race from the beginning; part of the time we were out in front. Tariffs were raised; imports and exports were licensed; foreign exchange was

blocked; food was produced under government subsidies within certain countries at over twice the cost of producing it elsewhere. One of the tragedies of world history is that Secretary Hull couldn't have given us his leadership in a reciprocal trade agreements program thirteen years before he became Secretary of State. Some day historians will measure that loss to the American farmer, and to our whole economy.

In the long run, the present war seems certain to hurt our agricultural exports. When the war is over, things are likely to be even worse. We'd better not dodge the facts. It's still a habit with us to refer to France and Great Britain as our sister democracies. But in the rough and tumble of a war fought on the economic as well as on the military fronts they are finding it necessary to put their economies on a totalitarian basis just as fast as they can, particularly so far as international trade is concerned. They are employing the same economic weapons which Germany has been using for several years. As a matter of self-preservation, they are fighting fire with fire; it's a part of the death struggle in which they're engaged. Before it's over, however, the American farmer is likely to get badly burned in the process. Belligerents as well as neutrals are resorting to centralized controls of their foreign trade.

Great Britain, for instance, is doing more than to buy all the food she can from within her own empire so as to conserve her dollar exchange for other purposes. She is buying large amounts of agricultural products in countries which normally sell to Germany, and she is doing it vigorously as a part of her economic offensive. For example, she has bought huge quantities of tobacco and dried fruits from the Mediterranean countries in addition to the fresh fruits which were available. The tobacco farmer here at home, and the producer of raisins and prunes and apples and winter pears has lost his best customer. His exports have been savagely curtailed. Only quick and heavy government

purchases, as well as loans, have kept him from realizing fully just how serious a blow has been dealt him. The war is bringing about dislocations in foreign trade which may last for a generation or longer. Following our own Revolutionary War, for example, we changed from a nation of tea drinkers to a nation of coffee drinkers and the habit is now 150 years old.

Barring a miracle of brotherhood and vision at the next peace conference, we are likely, as a nation, to find ourselves in a world loath to give up its barter economies. Having surpluses of both farm and city goods ourselves, we may find it extremely difficult to trade with other countries in such a world. Right now, of course, they can give us gold for our surplus of exports over imports. The country seems to think it's all right to swap three and a half tons of fuel oil for an ounce of gold. If the war lasts, however, we'll have most of the world's gold, and just what other nations will use for money to buy the things they may want to buy from us, no one seems to know. We could, of course, act like a creditor nation, and accept goods from them in exchange for what we need to sell them. Whether or not our various pressure groups will continue to oppose a real expansion of foreign trade remains to be seen. Heretofore, they've all wanted increased exports; but as far as increased imports were concerned -- they've wanted those to take place in the other fellow's back yard. It looks now as though there's trouble ahead for farmers who have been selling a substantial part of their crops abroad.

Industrial Unemployment Adds to Surplus Problem

The third and last major cause of farm surpluses, as I see it, has to do with industrial unemployment in our own country. Farmers producing dairy and poultry products, and fruits and vegetables as well as meats, have been hit the hardest. These are the foods low-income folks start buying as soon as

they get a little more money. The term "surpluses", as applied to these foods, is simply a smug, polite name for a shocking amount of under-consumption. During last December we virtually reached the 1929 level of industrial production, and yet some ten millions of the unemployed were still with us. No intelligent person can look those figures in the face and reach the conclusion that the unemployment problem is going to solve itself. Every year there is a net increase in our working population of about 500,000 persons. Over half of the ten million folks who want work but can't get it belong to this group.

Better than half of the balance are said to have lost their jobs to machines. Industrial output per worker is said to have increased around 20 percent in the last ten years. We've been smart enough to make tractors and mechanical corn-pickers and dial telephones; are we smart enough, however, to find work for the folks they've thrown out of work? Upon our answer to that question -- not in words, but in new jobs -- hangs the future of our industrial democracy. In other lands it has lost its race against time; if we have the courage to make it work here, then we shall in truth be a chosen people.

Personally, I think we can, and that what we need most is a re-direction of our genius as a people. Heretofore, we've concentrated on methods of efficient production. Henceforth, we must concentrate on efficient and business-like methods of increasing domestic consumption no matter how much violence it may do to some of our pre-conceived notions. We know how to produce almost anything -- but we haven't learned how to distribute such things to the jobless who ask only the chance to work for them. This nightmare of under-consumption is the black plague of the 20th century; we've got to make up our minds to wipe it out -- with a vengeance. Only one thing can stop us and that's a mental sit-down strike -- a kind of smug, 19th century faith that things will work themselves out if only we don't do anything about it.

We mustn't let that happen. It won't, if we keep our eyes glued to the goal of fully utilizing all of our resources -- and if we keep marching until we get there. We can have full employment in this country within a few years, but we've got to fight for it. If we slash out at under-consumption within our own country as we would at a foreign enemy, individual initiative and free enterprise will come into their own as they never have before. That's the only way in which we can be sure of their continuance. That's the only way I know of to assure a 19th century chance of opportunity to youngsters who are growing up to run the 20th century.

We've got to restore confidence in this country -- the confidence of our young folks -- not by platitudes, but by jobs. And we've got to do it -- not for just a few of them, but for all of them who are willing and able to work. Any answer short of that is unworthy of the men who fought their way westward for us and our children. There's a job of internal pioneering ahead of us which has barely been started. The full conquest of under-consumption still belongs to our tomorrows.

One of the well-established truths in marketing is "know your product". Agriculture knows its product. It knows how to produce efficiently. It has taken many steps to widen the meaning of efficiency. More and more, its efforts are being directed toward maintaining and improving its production resources. At the same time, however, an increasing emphasis is being put upon the importance of knowing its market and marketing conditions. Actually, there are too many characteristics of that market that we have not known enough about in the past. For instance, who is it that buys our various agricultural products? What kinds of incomes do they have? What is their demand for food? Is it true that since our stomachs are limited in

size, we have an automatic limit to the demand for foodstuffs? What would happen to agricultural income if every family in America making less than $1200 a year were to make that much money? These are typical of the questions we are asking ourselves in this new era. We are beginning to get some encouraging answers.

The Potential Low-Income Market

Recently, the Bureau of Labor Statistics and the Bureau of Home Economics, with the collaboration of the National Resources Committee, made a detailed study of incomes in the United States during 1935-1936. It covered about 29,400,000 families and 10 million single individuals representing over 126 million persons. These folks provide the principal market for agricultural commodities. Their incomes and their purchases are the key to agricultural prosperity, particularly for farmers who sell most of what they raise here at home.

It may come as a surprise to us, and an unpleasant one, to know that this study indicated that there were more than 4 million families, or 14 percent of the total, who had an average income of only $312 for the year. There were more than 8 million other families, 27.5 percent of the total, who had an average income of $758. And there were nearly 7 million families, 23 percent of the total, who had average incomes of $1224, or about $100 per month. In other words, nearly two-thirds of our families had incomes of less than $1500, and the average was only $826 a year -- $69 a month for a whole family! That's the story of under-consumption in one figure.

Frequently, we hear statements about the average income in the United States. For instance, in 1935, the average family income was about $1622. The important thing for us to remember is that 65 percent of the people were getting,

on an average, only about one-half of this amount. You can get mighty hungry trying to eat on averages if you're out of a job. These income groups are shown graphically in Figure 1.

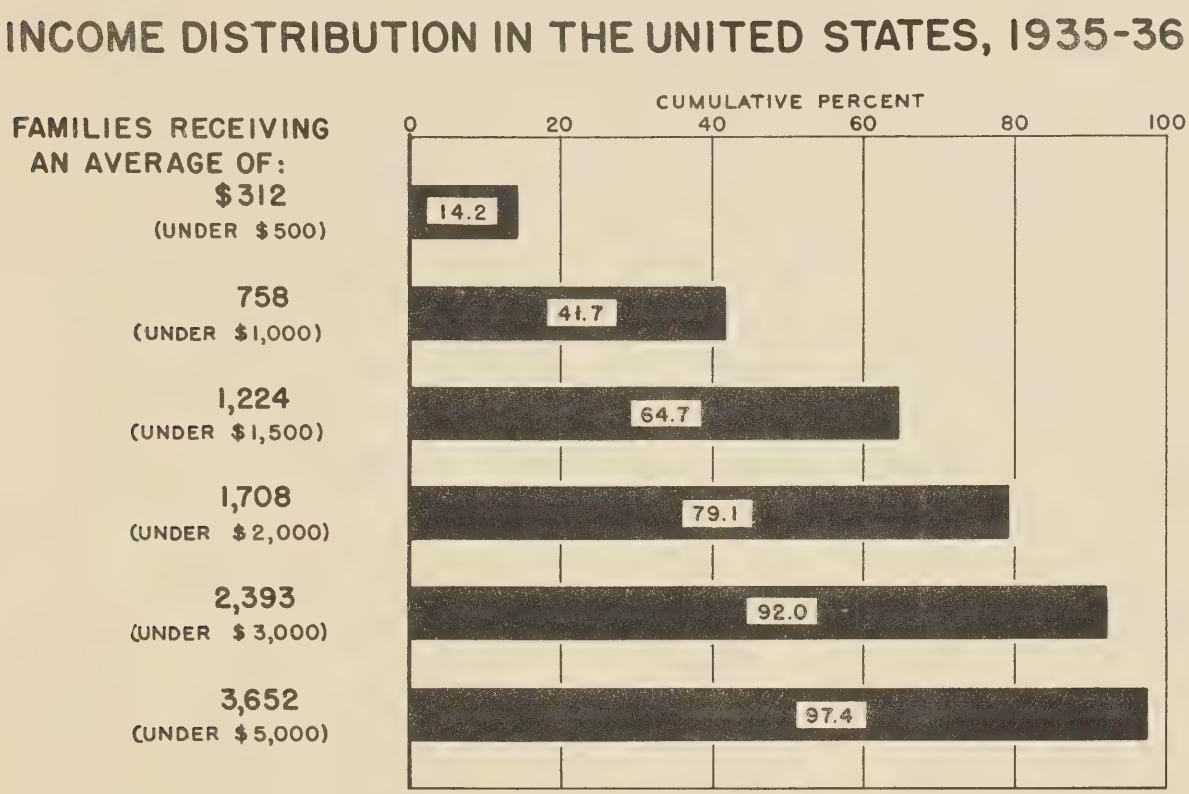


Figure 1

About 85 percent of the farmers' income is derived from the production of commodities used for food. In 1935, over 29,400,000 families spent 13.7 billion dollars for food. Here are some startling facts. Only 848 million dollars of that food bill, or 6 percent, came from 4,200,000 of our lowest income families, who were about 14 percent of all families. Only 20 percent came from another 8 million of our families, who were 27.5 percent of the total. In other words, nearly 42 percent of our families provided only 26 percent of our food market.

We have a chart that illustrates this in another way. (See figure 2).

RELATION BETWEEN INCOME AND WEEKLY PER CAPITA EXPENDITURE FOR FOOD BY FAMILIES IN THE UNITED STATES, 1935-36

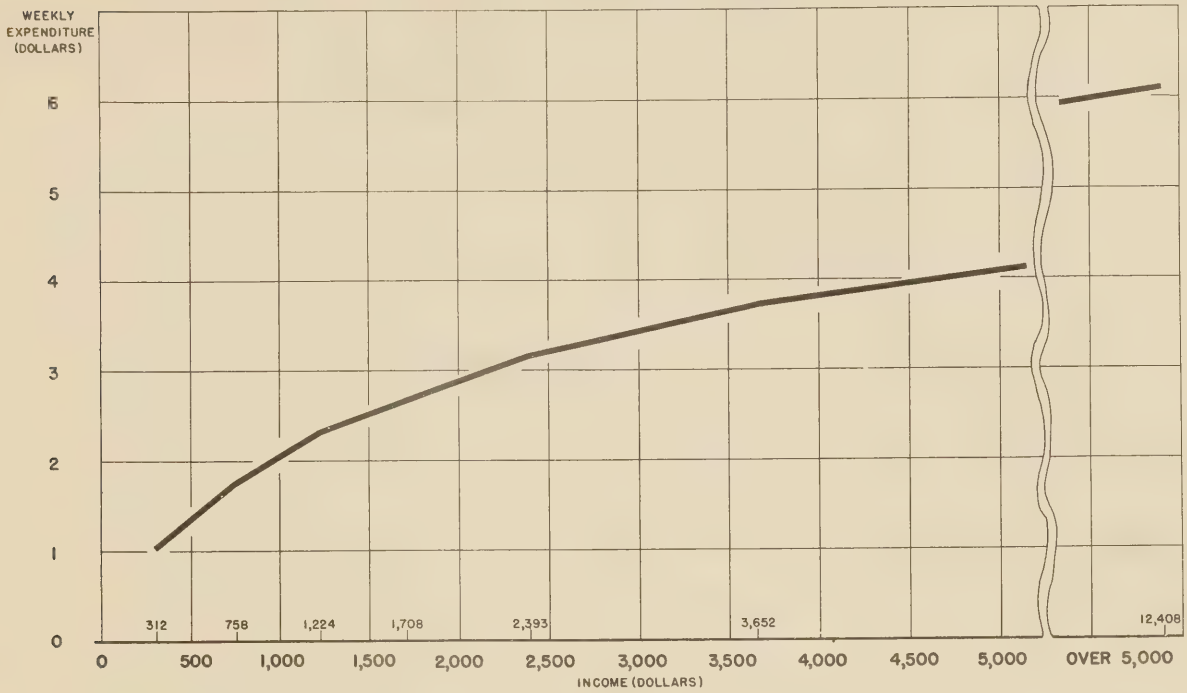


Figure 2

According to this study, the 14 percent of our families with the lowest incomes, that is, families receiving $312 on the average, are spending only slightly more than $1 per person per week for food; (actually, in order to keep going, they spent about 50 percent more for all purposes than they earned; some merchant got stuck for part of the difference). With an increased income to an average of $758, the weekly per capita expenditure for food rose to about $1.62. With an average income of $1224, people spent about $2.18 per person per week for food. I would guess the average weekly expenditure for those of us in this room at around $5. As income increased above the $100 a month level, food expenditures also increased but at a somewhat slower rate. In other words, this tells us that people with incomes of under $500 a year have about

5 cents per person per meal to spend for food. Families getting an income of $100 a month have around 10 cents per person per meal for food. The market for our farmers is doubled, so far as this group is concerned.

New Figures on Under-Consumption

What would happen if every family head who was receiving less than $100 per month got that much money? Of course, we could speculate on what would happen if every family made $2500 or $5000 a year, in which case we'd get some utopian answers for the American farmer. We'd better stick to what we can and should achieve in the decade of the forties, however. The data that we have show that if all families getting less than $100 per month had been able overnight to increase their incomes to that level, in terms of the 1935 situation, this would have meant an increase in expenditures for food of approximately 1.9 billion dollars. The expenditures of these people would have been increased by 51 percent. The national food bill, not counting purchases by single individuals, would have been increased 14 percent, and the health of the low-income people would have been very much improved. Farmers would have received directly nearly one billion dollars more in income. The extra demand certaintly would have improved farm prices and farm income by a large additional amount. Such an increase would have been an enormous contribution to the general welfare, and would have reduced unemployment in our cities.

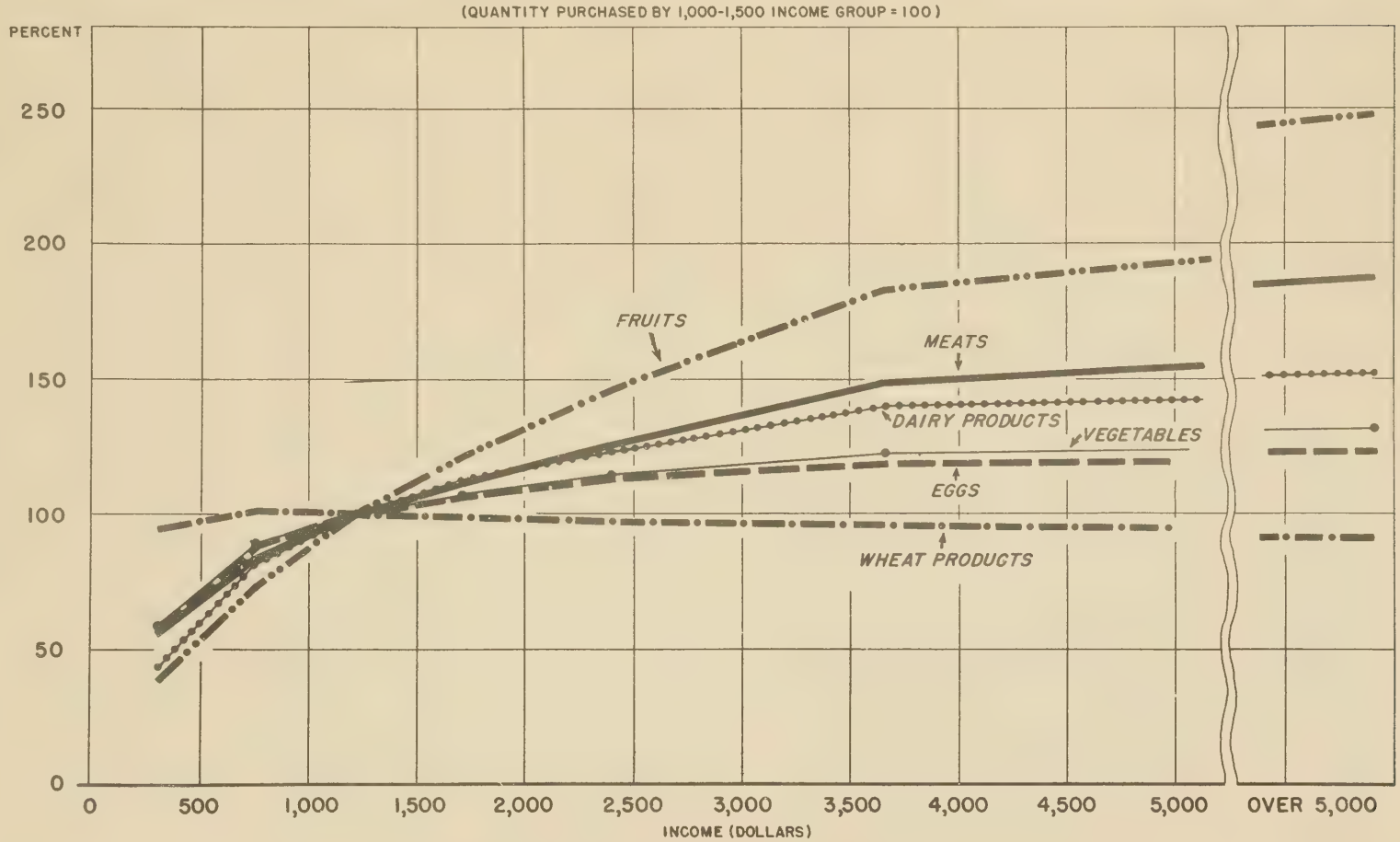
What is this potential low-income market like? Evidently these underprivileged people can and will spend more money for food if they have an opportunity. Does this mean that they pay higher prices for better food, or do they actually seek more food? The answer is that they do both. We know that low-income people are eating about half as much as they want. They will buy more food and greater varieties of it, if they have the opportunity.

There are calory as well as vitamin deficiencies in the diets of our less fortunate families.

Some preliminary studies made of consumer purchase habits indicate that there are considerable differences in the ways in which people will increase their purchases of individual commodities as incomes increase. We have brought together some of this preliminary information and it tells an extremely interesting story.

In looking at these charts, showing how much we eat of the various foods at different income levels, we must bear one fact in mind constantly -- the lines have been crossed conservatively at an average family income of $100 a month. To the left of where they intersect, we have our greatest under-consumption of farm products, and it holds true for more than half of our population. In the broadening of that market, lies the greatest single hope for our farmers who produce the foods that are largely consumed in this country and do not go into export in any volume. The following charts bring out the extent of this potential market in some detail.

INCOME RELATED TO CONSUMER PURCHASES OF FRUIT, MEAT, DAIRY PRODUCTS, VEGETABLES, EGGS, AND WHEAT PRODUCTS, 1935-36 *



* NON-FARM, NON-RELIEF FAMILIES

Figure 3

INCOME RELATED TO CONSUMER PURCHASES OF DAIRY PRODUCTS

NON-FARM, NON-RELIEF FAMILIES, 1935-36

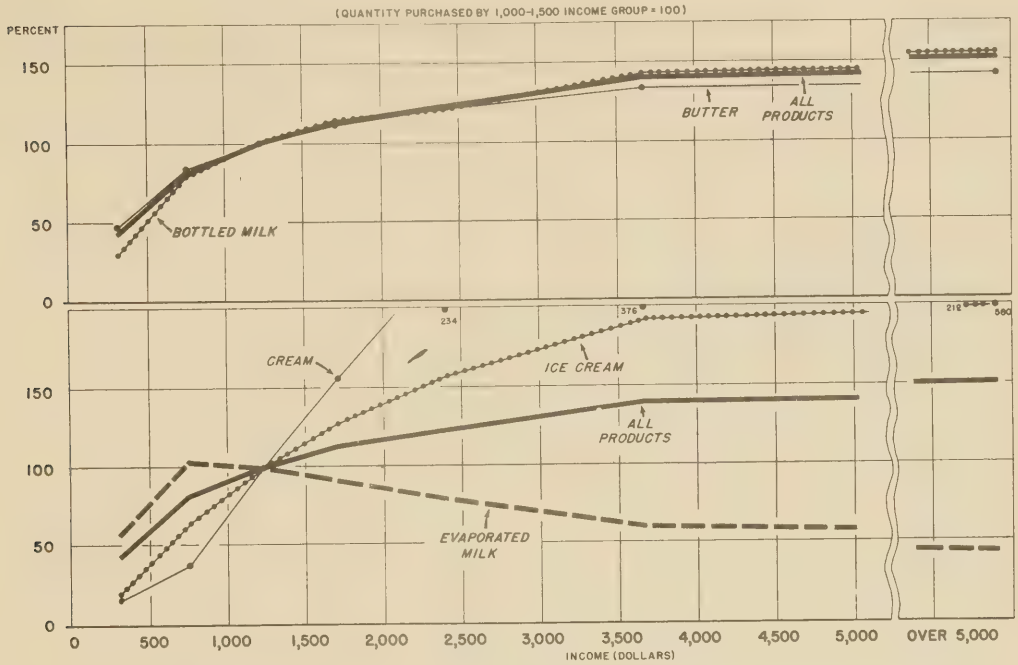


Figure 5

RELATION BETWEEN INCOME AND CONSUMER PURCHASES OF MEATS

NON-FARM, NON-RELIEF FAMILIES, 1935-36

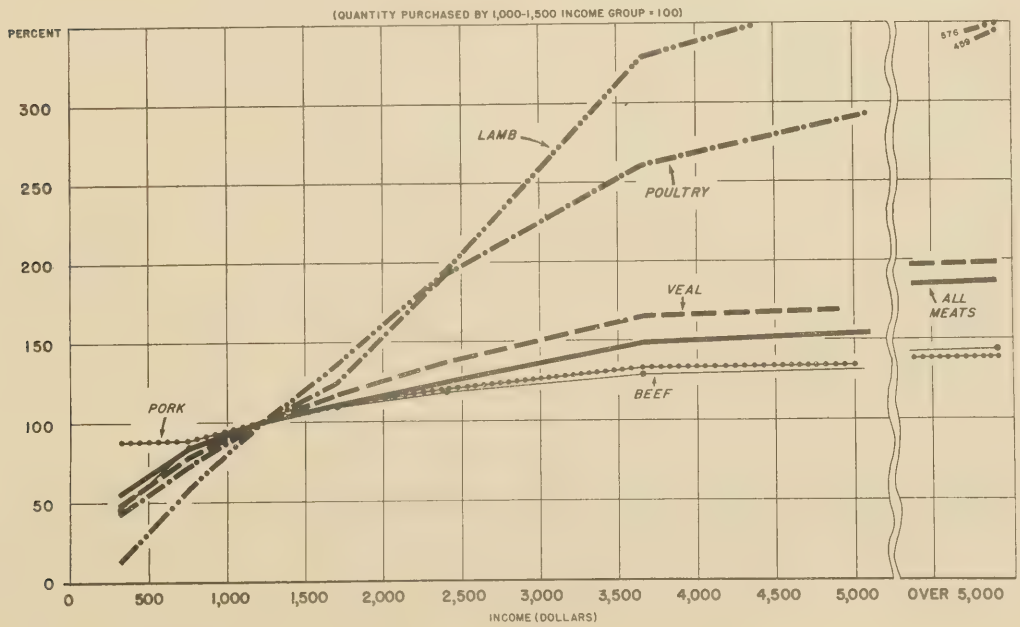


Figure 4

RELATION BETWEEN INCOME AND CONSUMER PURCHASES OF FRUIT

NON-FARM, NON-RELIEF FAMILIES, 1935-36

(QUANTITY PURCHASED BY 1,000-1,500 INCOME GROUP = 100)

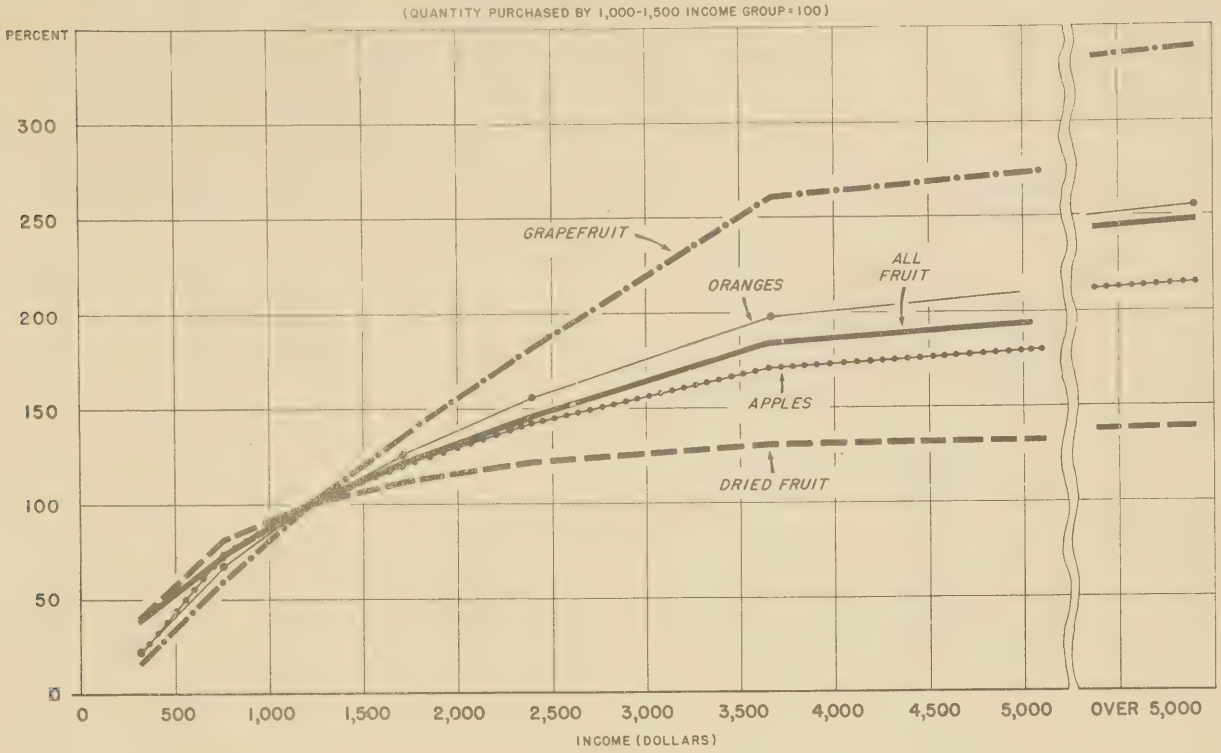


Figure 6

RELATION BETWEEN INCOME AND CONSUMER PURCHASES OF VEGETABLES

NON-FARM, NON-RELIEF FAMILIES, 1935-36

(QUANTITY PURCHASED BY 1,000-1,500 INCOME GROUP = 100)

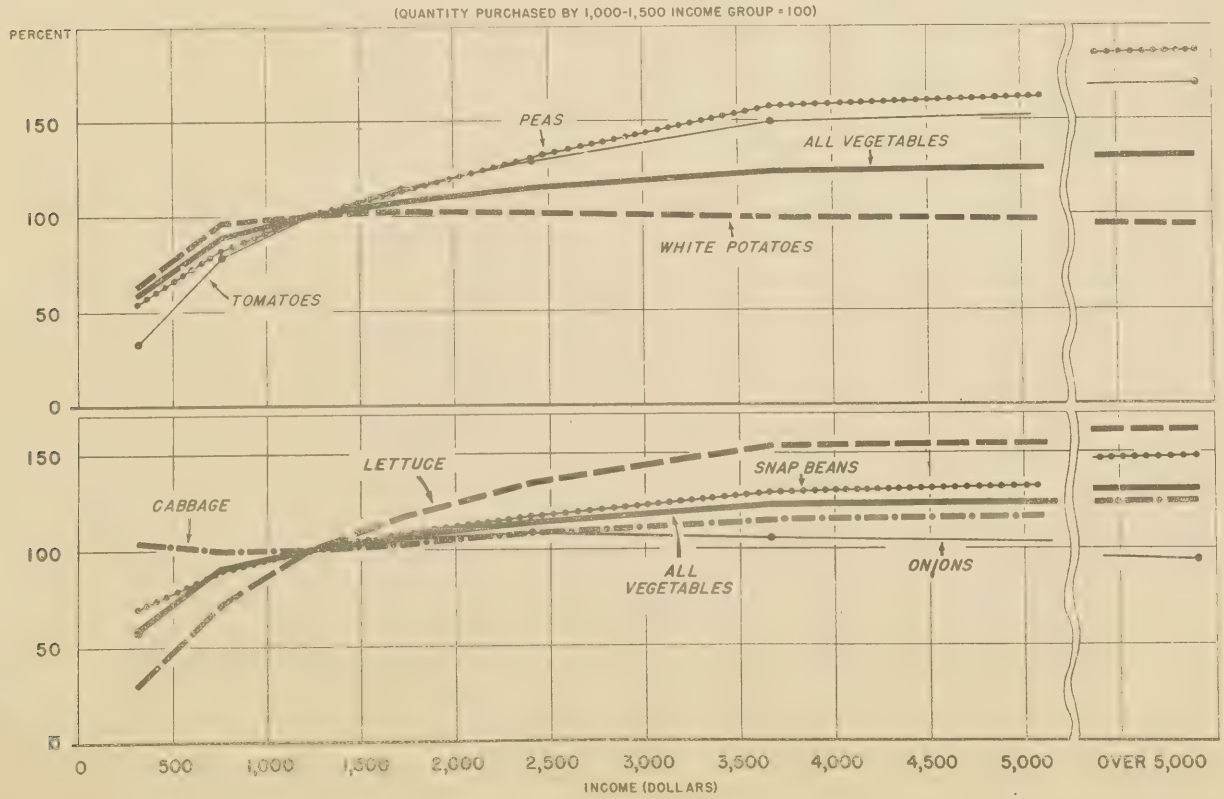


Figure 7

Figure 3 shows how purchases of fruits, meats, dairy products, vegetables, eggs and wheat products change with changes in income. In this chart, the per capita consumption by urban, non-relief families at the $100 a month level is equal to 100. That's lower than we like to think of as an American standard of living for a whole family, but we're thinking realistically in terms of what we've got a chance to reach in the next few years, rather than in terms of what we'd like to see. We find that those millions of families receiving less than $500 per year on the average purchased only 38 percent as much fruit as was purchased by the group receiving about $100 per month. In other words, the per capita consumption of fruits of 14 percent of our families was only slightly more than one-third of the per capita consumption of urban families receiving about $100 per month.

The meat purchases of the lowest income group were only 56 percent of the per capita consumption at the $100 level. For dairy products, purchases were only 43 percent; for eggs they were 57 percent; for vegetables 58 percent. Only for wheat products does the consumption of the lowest income groups come relatively close to the consumption of other levels. For these commodities the quantities purchased were equal to about 94 percent of the $1200 consumption level. People have nearly enough bread in this country, even though the poorer families do their own baking.

A less drastic, but similar story of under-consumption is told with regard to families who have to get along on an average income of $758 a year. Almost without exception, the percentage increase in purchases is larger as incomes increase <u>to</u> $1200 per year than it is when they increase <u>above</u> that level. The farmer's real stake is in the bottom two-thirds of our city families who are fighting for an income of $100 a month on which to exist. That's

his greatest potential market -- and it's right here at home. The over-stuffed third at the top, to which most of us in this room belong, has enough to eat, anyway.

All of the changes in the preceding charts are in terms of the quantities of the various foods consumed at different income levels rather than in terms of dollar expenditures. The tables in the appendix bring these changes out in great detail. Most of them tell the same type of story; namely, that we can get a real increase in demand especially for fruits, vegetables, and meats, as well as for poultry and dairy products, if various means can be devised to increase consumption among our low-income families.

What we now know is that many of our people have been underfed or badly nourished. May I repeat -- if every family making less than $1200 a year had earned at least $100 a month, under 1935 conditions, this would have increased food expenditures by the groups below $100 a month by about 51 percent. The total demand for food by families would have been increased by 14 percent. Agricultural income probably could have been increased directly by nearly one billion dollars. No economist would want to guess how much more could have been added to that income by this increased demand. Prices certainly would have improved on the entire production of most of our crops going largely into domestic consumption.

The most important thing about these specific figures on under-consumption is the fact that they get us down to earth in our thinking. It's all right for well-meaning people to rant up in the stratosphere about want in the midst of plenty, but we need to know, in terms of simple arithmetic, crop by crop, just how far we can go in solving our surplus problems by giving the underfed a chance to eat the surplus. The figures we have been considering were based

upon a study of consumer purchases by non-farm, non-relief families. Since May of 1939, we have gathered some very interesting figures dealing with food consumption habits among persons getting public assistance, particularly so far as their purchases of surplus farm products are concerned. This has been done in connection with our food stamp plan, and the figures are based upon day-to-day purchases by families using the stamps. After nine months of actual experience with this program, we are convinced that such an approach holds great promise for farmers producing certain crops, although it holds very little for a few other crops -- chiefly those on an export basis. We are anxious to get at the facts as they are, however, and to shape our programs accordingly.

The Food Stamp Plan

Some of you may not know how the Stamp Plan started. Secretary Wallace became convinced that this paradox of want in the midst of plenty could be licked only by the united effort and ingenuity of our whole people. So he asked some of us to get together with farm leaders, with public welfare officials, and with key people in the food trades to see if we could not develop a business-like way of solving this problem in a wholly non-partisan fashion. The Stamp Plan was the composite result. Some day that same approach, in principle, will be taken to our unemployment problem. I must get back to the job of distributing surplus foods through normal trade channels, however.

Most of you, I take it, are familiar with the objectives as well as the details of the Food Stamp Plan. Briefly, this is the way it works:

1. Studies indicate that persons getting public assistance spend an average of about $1 a week per person for food.

2. On a voluntary basis, such persons may buy a minimum of $1.00 worth of orange stamps a week for each member of the family. These are good for any food at any grocery store.

3. Persons buying orange stamps receive half again as many blue stamps free. They receive these in place of the commodities they formerly got at food depots. These blue stamps also are good at any grocery store but only for foods found to be "in surplus" by the Secretary of Agriculture. (Chiefly, dairy and poultry products, meats, fruits and vegetables).

4. Grocers paste the stamps, each worth twenty-five cents, on $5.00 cards and redeem them through their banks, their wholesalers, or through us. The Government pays for both colored stamps; the blue stamps are redeemed from the same funds that are now used to purchase surplus commodities directly.

5. Under the Stamp Plan, therefore, persons receiving public aid can get surplus foods at the corner grocery store. They have seven and one-half cents to spend for each meal rather than the five cents a meal they formerly spent. That improves farm income as well as the public health. The idea is to eat the surplus - - that is, the part that can be consumed in this country.

Since the program was put in effect on May 16, 1939, the surplus commodities have been changed from time to time, in accordance with changes in economic conditions and seasonal factors. The first commodities on the list were butter, eggs, wheat and graham flour, corn meal, dried prunes, oranges, grapefruit and dry beans. On July 16, oranges and grapefruit were dropped and a number of new commodities were added. These included rice, fresh peaches, fresh pears, cabbage, peas, tomatoes and onions. On October 1, peaches, cabbage, peas, tomatoes and rice were dropped from the list, and raisins, apples, snap beans (for October) and pork lard were added. On December 15, pork meats, rice, hominy grits, oranges and grapefruit were added.

The inauguration of the Food Stamp Plan has been announced in about 50 cities and county areas. It is now contemplated that by July 1, 1940, it will be in effect in about 100 cities throughout the United States. Nearly 600 cities have applied for the program. During December approximately 400,000 persons were participating in the program on a voluntary basis. When the programs now announced are in operation, nearly two million persons will be

participating. By July 1 it is expected that between three and four million persons will be taking part in this dual effort to find a wider market for surplus agricultural commodities and to improve the diets of low-income persons in our cities at the same time.

There has been some confusion about how the retailer gets his supplies under the Stamp Plan. Sometimes, it has been assumed that under this program the Federal Surplus Commodities Corporation purchases surplus commodities and sells them to retailers who then supply them to the needy people in exchange for stamps. This is not the case. All the commodities on the list are handled through regular commercial channels. The retailer makes his purchases in the usual way and so does the wholesaler. After the persons receiving public assistance receive their stamps, they may go to any retail store they wish in order to select the commodities they want in exchange for their stamps. The program does not involve any price fixing or price regulation, nor are special stores designated to receive the stamps. We have relied upon competition to keep the retailers' margins at a minimum. Any retail food establishment may, in accordance with the regulations established by the Secretary of Agriculture, accept the food stamps in exchange for the designated commodities.

There is another misconception that the Stamp Plan is a substitute for local relief. I want to make it plain that none of our activities is intended to supersede present relief assistance. On the contrary, the distribution of surplus foods by the Federal Government is designed to supplement local relief and other forms of public assistance. Every effort is made to prevent any substitution of our funds for other relief funds. Local units of government requesting the Stamp Plan are required to sign a contract by which they agree not to reduce relief grants on account of the Stamp Program. This is an impor-

tant requirement. If substitution of funds were permitted, the purchasing power made available through the Stamp Plan would not be additional purchasing power. That net increase in purchasing power is needed if farmers are to enjoy a broader market and if under-privileged families are to get better balanced diets.

Results of Stamp Plan Operation

Fundamentally, we are concerned with the contribution that this program can make to higher farm income and improved nutrition among our low-income families. We are, therefore, conducting continuous studies of the economic and marketing aspects of the Food Stamp Plan in addition to some work on its nutritional aspects. These are extremely important. In a number of key cities throughout the country, our Economic Analysis Section is following in considerable detail changes in food sales, prices, total sales of surplus commodities and the sales through the use of blue stamps. Additional supplementary information is obtained on the nature and extent of the voluntary participation in the program, as well as general economic and marketing background data. All of these are designed to give us a clear understanding of what is happening and to guide our future activities in this newest approach to widening the home market for surplus agricultural commodities.

We are watching the selection that low-income families are making of commodities placed on the surplus list. This gives all of us a much better understanding of what low-income people will buy if they are given an opportunity. At the same time, it provides a basis for calculating the extent of the contribution that this program may make to the economic welfare of growers of particular commodities. A very important consideration is the measurement of the net increase in the domestic demand that may result from these efforts.

Finally, we are trying to obtain a sufficiently wide body of experience so that the people, the Congress, and the Department can determine the relation of this work to our other farm programs. Obviously, the nation wants to work toward an integrated approach to the whole farm problem.

Although the Stamp Plan has not been in operation long enough to measure the ultimate economic effects accurately or to come to final conclusions, we have been maintaining current information to guide us in our operations. This has been made possible through the cooperation of wholesale and retail merchants in a number of cities, including Des Moines. These business men have devoted considerable time to giving us accurate reports. The stores have been selected on a basis which would assure a representative sample of low, upper and intermediate income areas in each city. The cooperation that these merchants have shown is extremely helpful. I should like to take this occasion to thank them. It is very important to all of us that they continue to give us the basic information that we need. They are making a real contribution to the general welfare which is deeply appreciated.

What are our low-income consumers buying with their surplus stamps? Preliminary figures now available are of great interest to every farmer in America. First of all, we can see how persons getting public aid are using their blue stamps on a wholly voluntary basis. We can tell which agricultural products are most popular, and what percentage of the blue surplus stamps is going for each one on the list. The next table brings this out in great detail for three periods when different surplus commodities were available. Many of you who live in Des Moines will be particularly interested in the way in which surplus commodities have been selected here in one of the early test cities. You may want to compare those selections with the ones made in the other

experimental areas. I am sure that the farmers of Iowa will be glad to learn that 31 percent of the blue stamps were used for pork meats and lard during the last month for which our records are available. Heavy blue stamp purchases of butter and eggs have been made throughout the program. The table which follows gives the latest current information on how the blue stamp expenditures have been divided as between the various surplus commodities which were available:

Percentage Distribution of Commodities Secured With Blue Stamps in Six Areas
July 16, 1939 - January 13, 1940/1

Commodity	July 16 - Sept.30 Average	October 1 - December 15							December 16 - January 13					
		Roch-ester	Dayton	Des Moines	Birm-ingham	Pott. Cty.	Seattle	Average	Roch-ester	Dayton	Des Moines	Birm-ingham	Pott. Cty.	Average
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	- - - - - - - p e r	c e n t - - - - -												
Butter	24	32	22	27	13	10	36	25	22	16	17	9	8	17
Eggs	24	29	28	25	20	12	26	26	21	16	15	13	10	17
Flour	13	17	10	13	24	26	13	16	10	9	13	19	22	12
Rice	2								1	2	1	2	2	1
Corn Meal	2	1	2	1	7	4	1	2	1	2	1	5	4	2
Hominy Grits									-	.6	.2	1	.5	.3
Peaches	10													
Pears	2	1	3	2	1	.5	.4	1	.2	.6	.4	1	1	.4
Apples		5	8	12	6	11	10	8	2	6	6	5	7	5
Oranges									8	7	5	4	7	6
Grapefruit									2	4	3	1	2	3
Dried Prunes	2	2	2	2	2	2	3	2	1	2	2	1	1	1
Raisins		2	2	2	2	3	2	2	2	1	2	1	2	2
Total Fruits	15	10	15	18	11	17	16	13	15	21	18	13	19	17
Peas	2													
Tomatoes	8													
Snap Beans/2		.3	1	.1	1	.2	.2	.6						
Cabbage	3													
Onions	3	3	4	3	2	2	2	3	2	2	1	1	1	2
Dry Beans	4	2	5	4	7	7	3	4	1	3	3	5	5	3
Total Vegetables	21	5	10	7	10	9	5	8	3	5	4	6	6	5
Pork Lard		6	13	9	15	22	4	10	3	6	6	9	9	6
Pork									24	23	25	22	20	23
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

/1. Percentages smoothed to closest whole per cent so that in some cases additions of individual items differ from group totals.

/2. Snap beans were on the list only during October. In that period they received about 2 per cent of the additional purchasing power.

Source of data: Economic Analysis Section, Federal Surplus Commodities Corporation, U. S. Dept. of Agriculture

2/1/40

With changes in the list on December 16, there were indications of some marked changes in blue stamp purchases. The period is too short, however, for any final conclusion and should be interpreted in terms of possible tendencies rather than of stable averages. Pork meats were placed on the list for the first time. They were very popular. From 20 to 25 percent of the increased purchasing power was used to buy these products. Another 6 percent was used for pork lard. The demand for butter and eggs decreased somewhat, though each accounted for 17 percent of the surplus buying.

Were the Stamp Plan operating nationally, this would be a very healthy situation from an agricultural viewpoint. Prior to the addition of pork meats to the surplus list on December 15, butter and eggs were taking about 25 percent each of the blue stamp purchasing power. This meant that there was a potential new market each year under a national food stamp plan for over 300 million pounds of butter and over 300 million dozen eggs. That was about 12 percent to 13 percent more of each of these products than the country consumed annually during the previous ten year period. Had it been possible to establish the Stamp Plan throughout the country overnight, prices of butter and eggs would have shot through the ceiling under such an increased demand. A more healthy price situation would obtain, of course, if the new demand for butter and eggs represented only 4 percent or 5 percent of former domestic consumption. The balance of the blue stamp purchasing power would then be available to help lift other farm prices. We are very glad, therefore, to see this shift to the purchase of surplus pork products. If the stamp program were operating on a national basis today, farmers in the corn belt would be getting a much better price for their hogs than they are today. Fortunately, we'll have a chance to learn a lot more about supply and demand conditions for these surplus products

before it will be possible to expand this program to cover the country.

We are vitally interested in the net increases in sales of agricultural commodities that result from our food stamp program, and are conducting studies in several cities. Here the analysis is much more difficult. It involves consideration of seasonal and other trend factors. Studies of this subject are under way, but only preliminary data are available. We have some information as a result of the figures supplied by Des Moines stores, however, in which you may be particularly interested.

Food Purchases in Des Moines

The Stamp Plan began in Des Moines on August 23. In the twelve weeks which followed there was a business pick-up in the food trades amounting to 5 percent as compared with sales in the six week period before the program started. Sales in stores in low-income areas of the city, however, where most of the surplus blue stamps are used, increased by 16 percent the first twelve weeks of the program. Even after allowance is made for general business improvement in the food industry of 5 percent, such stores had a net increase in business of 11 percent. One of the very striking facts is that about one-half of this net increase apparently was due to the amount of stamps received and another half was due to other factors. We hope that this means that many low-income families, other than the ones receiving direct assistance through the Stamp Plan, were spending more for agricultural products. Our preliminary information indicates that this was true for some commodities. The aggressive merchandising methods of the food trades are certainly responsible for part of this very favorable showing.

In terms of individual commodities, the preliminary information is very impressive. The most substantial increases in sales are for butter, eggs, and

most of the fruits and vegetables. Butter sales in terms of pounds of butter in low-income area stores increased about 41 percent above the pre-program level. In upper and intermediate-income area stores, they increased 8 percent. Allowing for seasonal and trend factors, our preliminary information indicates that total butter sales in low-income area stores increased not only by the full amount of the blue stamp expenditure, but by 28 percent more. In other words, for every government dollar spent to move butter under the Stamp Plan through such stores, $1.28 worth of butter was actually sold. Because the prices of so many dairy products are geared to the price of butter, this means a lot to dairy farmers in this section of the country.

Egg sales increased 52 percent in low-income area stores, while in upper and intermediate-income area stores there was a slight decrease. Here too, and to even a higher degree, even after blue stamps are excluded, low-income area store sales increased very substantially above the pre-program level, and above the relatively stable level for upper and intermediate-income areas. For every government dollar spent to move eggs under the Stamp Plan through low-income area stores, $1.40 worth of eggs was actually sold. Were the Stamp Plan going nationally, we feel sure we could maintain a much better price level for eggs.

For some products, of course, all of the sales increase was not a net increase in demand associated with the Stamp Plan. For instance, a very substantial part of the increase in demand for prunes, white flour, corn meal, rice and peaches was seasonal. In the case of some of these commodities, our information indicates that part of the blue stamps was being used in the place of cash which would have been used in the absence of a stamp program. This was true in the case of prunes, corn meal and rice, and to a lessor extent in the

case of white flour. Very substantial net increases in sales, over and above the volume of blue stamps, and after considering seasonal factors, were noted for peaches, cabbage, peas, onions, tomatoes and pears. For other commodities, it is still too early to come to even preliminary conclusions. The material is being studied carefully and we hope to present the information from time to time as it becomes available. So far as Des Moines is concerned, however, we feel certain that more than a dollar's worth of food was moved for every government dollar spent to redeem blue stamps. That's one great advantage of utilizing normal trade channels.

One last word about the Stamp Plan. We look upon it as a necessary stop-gap measure during this difficult period when we are trying to find ways to put idle capital to work so that idle men can get jobs. From my own point of view, there are only three figures which I hope will stick in your minds as a result of this talk. The man getting public assistance has to live on about 5 cents a meal. If he's lucky enough to live in a town where the Stamp Plan is operating, he lives on 7½ cents a meal. When it's possible for him to get off relief and get a job at good wages he spends about 12 cents a meal. Every time an unemployed man gets a job, therefore, every farmer in America ought to yell hallelujah! That's the real answer to many of his surplus problems.

I have devoted a good deal of time to the Food Stamp Plan as a method of disposing of some of our agricultural surpluses, both because of the popular interest in this new program and because Des Moines was selected as one of the early test areas. Recently, the Secretary of Agriculture announced a cotton stamp program. It is similar in principle to the Food Stamp Plan. We are going to try it out on an experimental basis in a few selected cities to test its possible value in actual practice. Until we have had an experience record

we would rather not make any predictions about it. Within less than a week from the time it was announced, however, some 20 cities applied for its adoption in their communities. We received over 50 letters from one city alone. A table showing the under-consumption of cotton goods by low-income groups appears in the appendix.

Other Programs for Dealing with Surpluses

There are many other programs in the Department of Agriculture for dealing with surplus problems. This fiscal year, for example, the Federal Surplus Commodities Corporation will spend around 80 million dollars buying agricultural surpluses directly at the points of over-production. These foods are being shipped in carlots to the public welfare departments of every state in the Union. They, in turn, distribute them through commodity depots largely to families certified as eligible to receive them. This distribution to individual families is stopped in areas where the Food Stamp Plan is in operation. Direct distribution usually is continued, however, even in stamp plan cities, to certain charitable institutions and to schools participating in our school lunch program.

We look upon this latter activity as one of our most important jobs, and we hope it will be possible for us to expand the program considerably. Nearly two million under-nourished children are now getting their noonday lunches, in whole or in part, from vitamin-rich surplus foods which the Congress has authorized us to buy and distribute for this purpose. Aside from the obvious social benefits of such an activity, it fits in perfectly with certain difficult surplus problems faced by some of our farmers. There are crops that move to market so rapidly that the Stamp Plan cannot be counted upon to soak up the surplus. Cling peaches, which are canned and used in our school lunch program,

are a good example. Quick and direct purchases often must be made to maintain farm income; surely, no better use can be made of foods bought under these conditions than to make them available to growing youngsters who happen to have been born into our less fortunate families.

We are spending some of the money available to us to develop new industrial uses for our surplus farm products. Here, we take a laboratory approach to our job. If we try twenty experiments, and only one succeeds, we still feel that we have done a good job. Our plan is to work very closely with the four regional laboratories which have just been set up to do research in this field. We know how important this work is for the long pull, but we also know how little it can offer the farmer this year or next by way of improved outlets for his price-depressing surpluses. A decade or two from now, however, it can be very important indeed.

Part of our money has been spent to divert agricultural surpluses to domestic outlets which would have been impossible without a government subsidy. The diversion of surplus edible peanuts to oil is a good case in point. Under this program, the peanut farmers of the country have made several dollars by way of improved income for their entire crop for every government dollar spent for surplus diversion payments. About a fifth of our money this fiscal year has been used to subsidize the exports of cotton and cotton goods. These exports will run about double what they did last cotton year, however, largely as a result of this activity. A similar but much less costly effort to help the American farmer hold his fair share of the world market has been made through our export subsidy payments in connection with wheat and flour. Under our marketing agreement programs, farmers are able to control the grade and size of fruits and vegetables moving to market. Where they care to do so,

they can regularize the volume of such shipments, in addition, through the use of weekly prorate orders. All of these regulations must be approved by the Secretary of Agriculture.

Under our marketing agreement and order programs for milk, prices received by farmers from handlers and processors are set after public hearings. All orders now being issued include a special price for fluid milk to be delivered to families getting public aid. This is somewhat lower than the customary class I price, but higher than the price the farmer receives for milk which goes into manufactured products. Through cooperation with local welfare agencies, and by virtue of a small subsidy from our funds, this makes it possible, in the City of Boston, for example, for families receiving general relief to get milk at 5 cents a quart and for WPA families to get it at 7 cents a quart. Milk handlers and processors file competitive bids for this business. We feel that a program along these general lines has proved itself in practice, and that it should be gradually expanded. There is a shocking underconsumption of fluid milk by our low-income families.

So much for surplus removal programs in our own shop. Elsewhere in the Department we are dealing with these problems through our agricultural and soil conservation programs, through our crop-insurance work, and through the lending activities of the Commodity Credit Corporation. Our ever-normal granary program is the answer of human ingenuity to the unpredictable changes of the weather. In years of abundance, farmers can get loans on their crops which can be carried into years of possible scarcity. They not only stand to benefit if prices rise, but the presence of such a supply protects our city working people from any runaway prices in years of flood or drought. Of all the contributions which Secretary Wallace has made to American agriculture, his-

torians are likely to put his ever-normal granary program at the top of the list.

Look at Home Needs Through Microscope

We probably shall hear more and more, during the next few years, about solving our surplus agricultural problems by feeding and clothing the destitute peoples of other continents, particularly those ravaged by war. Early this month, for example, when speaking before the Overseas Press Club of America, former President Hoover is reported to have said: "I do not believe that as a Christian nation or as a nation loving liberty, we have any moral right to stand by with these large surpluses of food and see people starve to death wholesale, who are helpless to help themselves." I hesitate to mention that charity should begin at home, because I agree with Mr. Hoover that it should not end there. The present situation in Finland, for example, has pulled at our national heart strings. I should like to suggest, however, that before we look at this problem of human hunger through a telescope, that we look at it through a microscope right here in our own country, and remember the millions of youngsters we are pumping into our own society every year on 5 cents a meal. Innocent victims of malnutrition make mighty poor citizens.

This is where industrial democracy is going to make its last stand. We dare not lose our fight -- not with our heritage! We won't, if we tackle the problems of unemployment and under-consumption vigorously -- as vigorously as the pioneers set out to conquer the West -- as vigorously as our fathers set out to build a machine age to free men from inhuman drudgery. We stand between them and our children. We've got to build bridges between the old days and the new. We've got to make it possible for these youngsters to work for tickets of access to what we've got all around us. They won't wait forever.

Must Solve Unemployment and Under-Consumption Problems

There isn't any single answer to this goal of full employment. No single genius is going to arise and light one torch in the darkness. We've got to move forward on many fronts, and the job has got to be done by thousands of ordinary people like ourselves who believe in tomorrow and are willing to fight for their convictions today. In the last analysis, of course, the national problem is an individual problem. Therein lies the real value of a meeting like this, and I should like to pay tribute to the men who made it possible.

We come here as individuals, each with his own particular job to do. We go back home, each to his same particular job. What really matters is whether or not we go back as individuals with a new vision. If we don't, we're sunk. If we do, anything is possible. If we go back thoroughly convinced that we can lick this modern headache of under-consumption, then each of us will start a bonfire in his own world and in his own unique way. That sort of enthusiasm is contagious. Others will light their fagots at our little fires and start their own bonfires. The flames will spread until they become like a crown fire in the forests which will burn away this ugly paradox of want in the midst of abundance.

We'll find ways to make it possible for those who want work to get it -- thousands of them, and they'll be worked out by thousands of people. It won't come over night, any more than our machine age came over night -- any more than we settled in the West over night. But it will come; it must come -- if we keep our eyes on such a goal and keep marching until we reach it. That's the challenge of our generation. We couldn't have been born during more exciting times. Our destiny is to make the most of them.

Let's not get the notion that because there are 130 million people in the country that one person can't do very much. We count enormously as individuals, and thank heaven our responsibilities end with our own circles of influence. Not one of us has a bigger job before him than he is able to do. Within those circles of influence, however, we've got to make good. We've got to be worthy of the richest country, in terms of tangible resources, that was ever given to any people. We've got to move forward from this halting place of uncertainty to a new day. As I've said elsewhere, we've got to face the fact that a money-rich, consumption-poor economy cannot survive.

It doesn't matter whether we lead a squad of a regiment. It only matters that we know that we don't have to put up with this nightmare of under-consumption in a land of plenty forever, and that we know it with such certainty that it will make us conquerors to the core. No obstacle on earth can stand against such singleness of purpose. The day we wake up to the fact that the problems of unemployment and under-consumption are not going to solve themselves, we'll have gone better than half the way toward solving them. Out of such leadership, springing up in thousands of places, will be built the America of Tomorrow. Personally, I have faith that we'll measure up to the tradition of business-like action which has made for progress throughout our history.

The 65 percent of our families living on an average of $69 a month need twice that much income for a minimum standard of living. The unsatisfied wants of two-thirds of our people make up the greatest new market that has ever loomed before our business men and our farmers. It's right in our own back yard. We've got to use some imagination and find ways to build a more industrious, and therefore a more prosperous America.

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(Table I, appendix)
1935-36 Food Bill by Income Groups in the United States

Income Group	Families: Number	Families: Percent of Total	Expenditure For Food For Year	Yearly Food Expenditure Per Family	Average Size of Family	Expenditure For Food Per Person: Annual	Expenditure For Food Per Person: Weekly
	1	2	3	4	5	6	7
- dollars -	-thous.-	percent	- mil.dol. -	dollars	persons	- dollars -	
Under 500	4,178	14.2	848	203	3.56	57.02	1.10
500 - 999	8,076	27.5	2,806	347	4.12	84.22	1.62
1000 - 1499	6,748	23.0	3,078	456	4.03	113.15	2.18
1500 - 1999	4,241	14.4	2,293	541	3.9	138.72	2.67
2000 - 2999	3,779	12.9	2,429	643	3.9	164.87	3.17
3000 - 4999	1,584	5.4	1,254	792	4.1	193.17	3.71
5000 - over	794	2.6	1,005	1,266	4.0	316.50	6.09
Total	29,400	100.0	13,713	466	3.9	119.49	2.30

Source of data: National Resources Committee, Consumer Expenditure in the in the United States, U. S. Government Printing Office, Washington, D. C., 1939, p. 86.

(Table II, appendix)

Relation Between Income and Consumer Purchases, in Pounds, of Fruits, Vegetables, Meats, Dairy Products and Eggs
(Purchases by $100 - $1500 Income Group = 100)
(Non-Farm, Non-Relief)

Income Group	Fruits	Meats	Dairy Products	Eggs	Vegetables	Wheat Products
	1	2	3	4	5	6
Under 500	38.3	55.6	42.9	57.3	58.4	94.0
500 - 999	72.7	83.5	81.3	87.5	89.1	101.0
1000 - 1499	100.0	100.0	100.0	100.0	100.0	100.0
1500 - 1999	120.9	111.7	113.0	106.2	107.4	99.0
2000 - 2999	145.8	125.4	123.3	112.5	114.1	97.0
3000 - 4999	183.0	148.7	140.4	118.7	122.4	96.0
5000 - over	247.7	187.3	152.0	122.9	131.1	91.0

Source of data: Compiled from studies of consumer purchases in 1935-36 by the Bureau of Labor Statistics and the Bureau of Home Economics with the collaboration of the National Resources Committee. Compilation by the Marketing Section, Agricultural Adjustment Administration.

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(Table III, appendix)

Relation Between Income and Consumer Purchases of Certain Meats
By Non-Farm, Non-Relief Families, 1935-36
(Quantities Purchased by $1000 - $1500 Income Group = 100)

Income Group	Total Meats	Beef	Veal	Lamb	Pork	Poultry
	1	2	3	4	5	6
-dollars-		- - -	per cent	- - -		
Under 500	55.6	45.7	48.7	12.7	87.1	43.8
500 - 999	83.5	83.6	78.1	58.6	87.9	73.0
1000 - 1499	100.0	100.0	100.0	100.0	100.0	100.0
1500 - 1999	111.7	109.6	117.3	137.6	110.3	125.3
2000 - 2999	125.4	118.0	137.7	195.8	120.9	167.3
3000 - 4999	148.7	128.6	165.3	330.8	133.9	261.5
5000 - over	187.3	144.0	199.7	575.9	139.7	459.4

(Table IV, appendix)

Relation Between Income and Consumer Purchases of Dairy Products
By Non-Farm, Non-Relief Families, 1935-36
(Quantities Purchased by $1000 - $1500 Income Group = 100)

Income Group	Bottled Milk	Evap. Milk	Cream	Ice Cream	Butter	Total
	1	2	3	4	5	6
- dollars-	- - -		per cent	- - -		
Under 500	28.2	57.0	15.3	19.2	46.9	42.9
500 - 999	78.6	103.1	37.3	64.4	83.5	81.3
1000 - 1499	100.0	100.0	100.0	100.0	100.0	100.0
1500 - 1999	113.8	91.8	155.9	127.8	111.8	113.0
2000 - 2999	120.8	79.6	233.9	157.7	121.3	123.3
3000 - 1499	143.2	61.2	376.3	192.4	133.9	140.4
5000 - over	155.2	44.9	579.7	212.3	141.8	152.0

Source of data: Compiled from estimates made in the Division of Marketing and Marketing Agreements from data obtained by the Bureauof Labor Statistics and the Bureau of Home Economics in collaboration with the National Resources Committee.

(Table V, appendix)

Relation Between Income and Consumer Purchases of Certain Fruits, By Non-Farm, Non-Relief Families, 1935-36
(Quantities Purchased by $1000 - $1500 Income Group = 100)

Income Group	Total Fruits	Total Dried	Oranges	Grapefruit	Apples
	1	2	3	4	5
-dollars-		- - -	per cent	- - -	
Under 500	38.3	39.5	22.7	15.9	21.5
500 - 999	72.7	81.7	67.3	59.3	73.2
1000 - 1499	100.0	100.0	100.0	100.0	100.0
1500 - 1999	120.9	112.3	126.2	135.6	119.5
2000 - 2999	145.8	122.3	155.3	181.4	141.5
3000 - 4999	183.0	130.2	197.4	261.0	170.7
5000 - over	247.7	138.2	255.7	339.0	214.1

(Table VI, appendix)

Relation Between Income and Consumer Purchases of Certain Vegetables, By Non-Farm, Non-Relief Families, 1935-36
(Quantities Purchased by $1000 - $1500 Income Group = 100)

Income Group	Total Veg.	Lettuce	Tomatoes	Cabbage	Snap Beans	Peas	Onions	White Potatoes
	1	2	3	4	5	6	7	8
-dollars-		-	- -	per cent	-	-	-	
Under 500	58.4	29.0	33.2	103.3	69.2	53.8	56.3	62.6
500 - 999	89.1	72.0	77.7	99.0	88.3	82.5	89.1	96.2
1000 - 1499	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1500 - 1999	107.4	117.1	114.0	102.9	107.6	113.8	105.9	102.3
2000 - 2999	114.1	134.1	128.7	107.7	117.2	130.2	107.9	101.7
3000 - 4999	122.4	153.7	149.7	115.4	129.7	157.0	105.1	99.1
5000 - over	131.1	161.6	168.8	125.0	147.6	186.2	94.9	94.9

Source of data: Compiled from estimates made in the Division of Marketing and Marketing Agreements from data obtained by the Bureau of Labor Statistics and the Bureau of Home Economics in collaboration with the National Resources Committee.

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